

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

Regular Joint Meetings
1st and 3rd Tuesday

Date: February 18, 2020
REGULAR MEETING

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

CITY COUNCIL MEMBERS

Larry Bird, Mayor

Cameron Gregg, Mayor Pro Tem

Brigit Bennington, Council Member

William J. Holland, 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

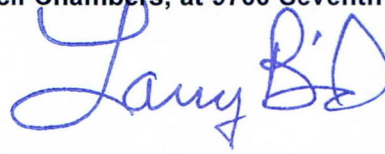
Documents produced by the City and distributed less than 72 hours prior to the meeting, regarding items on the agendas, will be made available in the City Clerk's Office located at 9700 Seventh Avenue during normal business hours.



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.

**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, February 18, 2020, at 6:30 p.m. in the City Council Chambers, at 9700 Seventh Avenue, Hesperia, CA 92345.



Larry Bird, Chair

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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**

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 - 5:30 PM

Roll Call

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

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

1. One (1) case

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

1. Victor Valley Wastewater Reclamation Authority v. City of Hesperia (Claim for Damages)
2. Assistant Secretary for FHEO v. City of Hesperia, California, et al.; Case Number 09-16-4717-8

CALL TO ORDER - 6:30 PM

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

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

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

1. Presentation to Hesperia High School, Sultana High School, and Oak Hills High School students for participation in the Tournament of Roses Parade Honor Band
2. Introduction of San Bernardino County Fire Chief Daniel Munsey to the City Council
3. Community Events Calendar

JOINT CONSENT CALENDAR

1. Page 7 Consideration of the Draft Minutes from the Regular Meeting held Tuesday, February 4, 2020

Recommended Action:

It is recommended that the City Council approve the Draft Minutes from the Regular Meeting held Tuesday, February 4, 2020.

Staff Person: City Clerk Melinda Sayre

Attachments: [Draft CC Min 2020-02-04](#)

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 Hesperia Water District.

Staff Person: Director of Finance Casey Brooksher

Attachments: [SR Warrant Run 2-18-2020](#)

[Attachment 1 - Warrant Runs](#)

3. Page 13 Treasurer's Cash Report for the unaudited period ended December 31, 2019

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: Director of Finance Casey Brooksher

Attachments: [SR Treasurer's Report 2-18-2020](#)

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

4. Page 21 Tract Map 18985-1

Recommended Action:

It is recommended that the City Council adopt Resolution No. 2020-006 approving Tract Map No. 18985-1 to create three parcels from 2,856.74 gross acres located south of the intersection of Ranchero Road and I Avenue (Applicant: Hesperia Venture I, LLC).

Staff Person: Assistant City Manager Michael Blay

Attachments: [SR Tract Map 18985-1 2-18-2020](#)

[Resolution 2020-006](#)

[Attachment 2 - Tract Map 18985-1](#)

5. Page 29 Award a Professional Services Agreement for Consulting Services Related to the America's Water Infrastructure Act of 2018 (AWIA), C.O. No. 4070-1911

Recommended Action:

It is recommended that the Board of Directors of the Hesperia Water District award a Professional Services Agreement (PSA) to Claris Strategy in the amount of \$188,768 plus a 10% contingency amount of \$18,877 for a total not-to-exceed amount of \$207,645 for professional consulting services related to the America's Water Infrastructure Act of 2018 (AWIA), C.O. No. 4070-1911 and authorize the City Manager to execute said agreement.

Staff Person: Assistant City Manager Michael Blay

Attachments: [SR Award Contract for AWIA 2-18-2020](#)

[Attachment 1 - AWIA Fact Sheet](#)

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.

- 6. Page 35** Ranchero Sewer Lift Station - HWD Resolution No. 2020-07 - A Resolution of the Hesperian Water District, Declaring that Public Interest and Necessity Require Acquisition of Fee Simple Interest in a Portion of the Property Known as Assessor's Parcel No. 3039-431-01

Recommended Action:

It is recommended that the Hesperia Water District conduct a public hearing and upon accepting public testimony, adopt a Resolution of Necessity, HWD Resolution No. 2020-07 entitled:

A RESOLUTION OF THE HESPERIA WATER DISTRICT OF THE CITY OF HESPERIA, CALIFORNIA, DECLARING THAT PUBLIC INTEREST AND NECESSITY REQUIRE ACQUISITION OF FEE SIMPLE INTEREST IN A PORTION OF THE PROPERTY KNOWN AS ASSESSOR'S PARCEL NO. 3039-431-01.

Staff Person: Economic Development Manager Rod Yahnke

Attachments: [SR Ranchero Lift Station 2-18-2020](#)

[Resolution HWD 2020-07](#)

[Attachment 2 - Summary of Basis for Appraisal](#)

[Attachment 3 - I-15 Sewer Improvement Project](#)

[Attachment 4 - Exhibit A](#)

[Attachment 5 - Exhibit B](#)

[Attachment 6 - Exhibit C](#)

NEW BUSINESS

- 7. Page 53** Credit Card Service Fees and Convenience Fees

Recommended Action:

It is recommended that the City Council, Hesperia Housing Authority, Community Development Commission, and Hesperia Water District Council/Board/Commissions approve Joint Resolution No. 2020-10, HHA 2020-02, CDC 2020-01, and HWD 2020-06 to charge service and convenience fees for the acceptance of credit and debit cards (credit cards).

Staff Person: Director of Finance Casey Brooksher

Attachments: [SR Credit Card Fees and Convenience Fees 2-18-2020](#)

[Joint Resolution](#)

- 8. Page 59** Fiscal Year 2019-20 Mid-Year Budget Review

Recommended Action:

It is recommended that the Fiscal Year 2019-20 Mid-Year Budget Review be received and filed and the related following resolutions, which amend the respective Fiscal Year 2019-20 Budgets for the City of Hesperia and the Hesperia Water District be approved:

- 1) City of Hesperia Resolution No. 2020-07
- 2) Hesperia Water District HWD 2020-03

Staff Person: Director of Finance Casey Brooksher

Attachments: [SR 2019-20 Mid-Year Budget 2-18-2020](#)

[Attachment 1 - FY 2019-20 Mid-Year Budget Review](#)

[Resolution 2020-07](#)

[Resolution HWD 2020-03](#)

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.

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 13, 2020 at 5:30 p.m. pursuant to California Government Code §54954.2.

*Melinda Sayre,
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, February 4, 2020

6:30 PM

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

CLOSED SESSION - 5:30 PM

Roll Call

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

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

1. One (1) case

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

1. Jeremiah Brosowske v City of Hesperia Case No. CIVDS1926015
2. Victor Valley Wastewater Reclamation Authority v. City of Hesperia (Claim for Damages)

CALL TO ORDER - 6:30 PM

- A. Invocation by Neil Harris of Victor Valley Christian Church**
- B. Pledge of Allegiance to the Flag**
- C. Roll Call**

Present: 4 - Mayor Bird, Mayor Pro Tem Gregg, Council Member Bennington and Council Member William J. Holland

- D. Agenda Revisions and Announcements by City Clerk - None**
- E. Closed Session Reports by City Attorney - *First two items discussed, closed session recessed and will reconvene after open session.***

ANNOUNCEMENTS/PRESENTATIONS

1. Community Events Calendar - *The City is now accepting applications for the military banner program, full program guidelines are available on the City website; Hesperia residents can take advantage of the bulky item*

pickup program through Advance Disposal; US Census Bureau is beginning their outreach across the country to let residents know that Census Day is coming – April 1, 2020, for more information, visit www.2020census.gov.

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

Mike Leonard commented on various community issues.

Bob Nelson commented on public speech in meetings.

Daniel Krist commented on the various community issues.

Kelly Gregg commented on the Public Safety Advisory Committee and street lighting within the City.

JOINT CONSENT CALENDAR

A motion was made by Holland, seconded by Gregg, that the Consent Calendar be approved. The motion carried by the following vote:

Aye: 5 - Bird, Gregg, Bennington, Holland and Swanson

Nay: 0

1. Consideration of the Draft Minutes from the Regular Meeting held Tuesday, January 21, 2020

Recommended Action:

It is recommended that the City Council approve the Draft Minutes from the Regular Meeting held Tuesday, January 21, 2020.

Sponsors: 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 Hesperia Water District.

Sponsors: Director of Finance Casey Brooksher

3. Purchase and Sale Agreement - APN 0410-182-10

Recommended Action:

It is recommended that the Commissioners of the Hesperia Housing Authority (HHA) adopt Resolution No. HHA 2020-001: (i) approving the "Agreement for the Purchase and Sale of Real Property and Joint Escrow Instructions" (PSA) for real property located at the northwest corner of Olive and H, Assessor's Parcel Number 0410-182-10 (Property) by and between the Hesperia Housing Authority (Seller) and the San Bernardino County Fire Protection District, (Buyer); and (ii) authorizing the City Manager and Executive Director to make non-substantive, non-financial revisions if required; and (iii) authorizing City Manager and Executive Director to execute all documents necessary to consummate the transaction.

Sponsors: Economic Development Manager Rod Yahnke

NEW BUSINESS

4. Consideration of the 2020 Legislative Platform

Recommended Action:

It is recommended that the City Council adopt the 2020 Legislative Platform and associated policy statements and funding priorities.

Sponsors: Assistant to the City Manager Rachel Molina

Bob Nelson commented on item 4.

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

Aye: 5 - Bird, Gregg, Bennington, Holland and Swanson

Nay: 0

COUNCIL COMMITTEE REPORTS AND COMMENTS

Council Member Swanson commented on SBCTA comments made during public comment, attendance at San Bernardino County Special District meeting, the Hesperia Library Book Festival event, and HUSD Board meeting.

Council Member Bennington commented on attendance at the League of California Cities Academy and the Meet and Clean event in January, requested that an item be agendized to limit campaign funds, and commented on the upcoming Youth in Government Day event.

Council Member Holland commented on SBCTA comments made during public comment, attendance at MDAQMD meeting, and recall petition efforts for his seat on the Council.

Mayor Pro Tem Gregg commented on the petition to recall Council Member Holland, and upcoming Youth in Government Day event.

Mayor Bird commented on the petition to recall Council Member Holland.

CITY MANAGER/CITY ATTORNEY/STAFF REPORTS

None

ADJOURNMENT

Open session adjourned at 7:22 p.m., the Council reconvened into closed session and adjourned at 8:52 p.m.

*Melinda Sayre,
City Clerk*

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City of Hesperia STAFF REPORT



DATE: February 18, 2020

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)

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 11, 2020 through January 24, 2020.

<u>Agency/District</u>	<u>Accounts Payable</u>	<u>Payroll</u>	<u>Wires</u>	<u>Totals</u>
City of Hesperia	\$506,803.33	\$234,937.83	\$0.00	\$741,741.16
Successor Agency	0.00	0.00	0.00	0.00
Housing Authority	2,036.23	163.91	0.00	2,200.14
Community Development Commission	1,101.15	4,644.15	0.00	5,745.30
Water	549,924.91	99,479.89	0.00	649,404.80
Totals	\$1,059,865.62	\$339,225.78	\$0.00	\$1,399,091.40

ATTACHMENT(S)

1. Warrant Runs

Attachment 1
City of Hesperia
WARRANT RUNS
01/11/2020 - 01/24/2020

FUND #	FUND NAME	W/E 1/17/2020	W/E 1/24/2020	WARRANT TOTALS	Wires	YEAR-TO DATE TOTALS *	PRIOR FY YTD DATE TOTALS
Accounts Payable							
100	GENERAL	\$ 61,917.25	\$ 112,159.12	\$ 174,076.37	\$ -	\$ 14,636,363.25	\$ 12,504,694.94
200	HESPERIA FIRE DISTRICT	\$ -	\$ -	\$ -	\$ -	\$ 1,267.00	\$ 352,798.18
204	MEASURE I - RENEWAL	\$ -	\$ -	\$ -	\$ -	\$ 198,959.45	\$ 260,011.40
205	GAS TAX	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,795.00
207	LOCAL TRANSPORT-SB 325	\$ -	\$ -	\$ -	\$ -	\$ 271,333.84	\$ 205,736.43
209	GAS TAX-RMRA	\$ -	\$ -	\$ -	\$ -	\$ 1,495,086.16	\$ 24,895.99
210	HFPD (PERS)	\$ -	\$ -	\$ -	\$ -	\$ 874,510.00	\$ -
251	CDBG	\$ 8,302.57	\$ 58,585.00	\$ 66,887.57	\$ -	\$ 816,910.15	\$ 143,041.98
254	AB2766 - TRANSIT	\$ -	\$ -	\$ -	\$ -	\$ 477,331.07	\$ 27,600.00
256	ENVIRONMENTAL PROGRAMS GRANT	\$ 669.65	\$ -	\$ 669.65	\$ -	\$ 10,076.79	\$ 22,723.46
257	NEIGHBORHOOD STABILIZATION PROG	\$ 38.24	\$ -	\$ 38.24	\$ -	\$ 48,262.90	\$ 15,148.94
260	DISASTER PREPARED GRANT	\$ -	\$ -	\$ -	\$ -	\$ 1,318.08	\$ 5,022.41
263	STREETS MAINTENANCE	\$ 18,732.45	\$ 35,956.52	\$ 54,688.97	\$ -	\$ 1,169,384.14	\$ 1,238,732.57
300	DEV. IMPACT FEES - STREET	\$ -	\$ -	\$ -	\$ -	\$ 44,066.70	\$ 145,319.93
301	DEV. IMPACT FEES - STORM DRAIN	\$ -	\$ 7,500.00	\$ 7,500.00	\$ -	\$ 227,712.64	\$ 23,395.00
402	WATER RIGHTS ACQUISITION	\$ -	\$ -	\$ -	\$ -	\$ 1,021,140.04	\$ 1,030,554.10
403	2013 REFUNDING LEASE REV BONDS	\$ -	\$ -	\$ -	\$ -	\$ 563,794.37	\$ 559,827.92
501	CFD 91-3 BELGATE	\$ -	\$ -	\$ -	\$ -	\$ 837,793.25	\$ -
502	FIRE STATION BUILDING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,790,888.41
504	CITY WIDE STREETS - CIP	\$ -	\$ -	\$ -	\$ -	\$ 214,640.05	\$ 22,567.23
509	CITY FACILITIES CIP	\$ -	\$ -	\$ -	\$ -	\$ 39,189.17	\$ 364,159.82
800	EMPLOYEE BENEFITS	\$ 150,645.44	\$ 37,982.13	\$ 188,627.57	\$ -	\$ 4,470,462.58	\$ 4,093,778.50
801	TRUST/AGENCY	\$ 13,374.96	\$ 940.00	\$ 14,314.96	\$ -	\$ 623,546.62	\$ 1,051,847.98
802	AD 91-1 AGENCY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 367.50
804	TRUST-INTEREST BEARING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 67.50
807	CFD 2005-1	\$ -	\$ -	\$ -	\$ -	\$ 25,194.50	\$ 812,265.72
808	HFPD (TRANSITION)	\$ -	\$ -	\$ -	\$ -	\$ 1,668,935.57	\$ -
	CITY	\$ 253,680.56	\$ 253,122.77	\$ 506,803.33	\$ -	\$ 29,737,278.32	\$ 29,700,240.91
160	REDEVELOP OBLIG RETIREMENT - PA1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,306,154.96
161	REDEVELOP OBLIG RETIREMENT - PA2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 426,569.15
162	REDEVELOP OBLIG RETIREMENT-HOUSING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,476,736.59
163	REDEVELOP OBLIG RETIREMENT-2018	\$ -	\$ -	\$ -	\$ -	\$ 7,752,150.38	\$ -
173	SUCCESSOR AGENCY ADMINISTRATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,005.00
	SUCCESSOR AGENCY	\$ -	\$ -	\$ -	\$ -	\$ 7,752,150.38	\$ 8,213,465.70
370	HOUSING AUTHORITY	\$ 1,979.98	\$ 56.25	\$ 2,036.23	\$ -	\$ 52,327.87	\$ 113,598.02
	HOUSING AUTHORITY	\$ 1,979.98	\$ 56.25	\$ 2,036.23	\$ -	\$ 52,327.87	\$ 113,598.02
170	COMMUNITY DEVELOPMENT COMMISSION	\$ 1,001.15	\$ 100.00	\$ 1,101.15	\$ -	\$ 155,730.78	\$ 175,375.26
	COMMUNITY DEVELOPMENT COMMISSION	\$ 1,001.15	\$ 100.00	\$ 1,101.15	\$ -	\$ 155,730.78	\$ 175,375.26
700	WATER OPERATING	\$ 38,147.55	\$ 195,440.46	\$ 233,588.01	\$ -	\$ 3,950,320.38	\$ 4,801,766.67
701	WATER CAPITAL	\$ 63,493.49	\$ 7,829.00	\$ 71,322.49	\$ -	\$ 1,956,941.04	\$ 4,212,734.94
710	SEWER OPERATING	\$ 2,544.30	\$ 242,470.11	\$ 245,014.41	\$ -	\$ 1,943,957.13	\$ 2,645,649.16
711	SEWER CAPITAL	\$ -	\$ -	\$ -	\$ -	\$ 59,109.55	\$ 64,510.70
	WATER	\$ 104,185.34	\$ 445,739.57	\$ 549,924.91	\$ -	\$ 7,910,328.10	\$ 11,724,661.47
	ACCOUNTS PAYABLE TOTAL	\$ 360,847.03	\$ 699,018.59	\$ 1,059,865.62	\$ -	\$ 45,607,815.45	\$ 49,927,341.36
REG. PAYROLL							
	City	\$ -	\$ 234,937.83	\$ 234,937.83	\$ -	\$ 3,594,389.67	\$ 3,584,067.50
	Housing Authority	\$ -	\$ 163.91	\$ 163.91	\$ -	\$ 4,142.94	\$ 32,807.62
	Community Development Commission	\$ -	\$ 4,644.15	\$ 4,644.15	\$ -	\$ 103,474.04	\$ 62,151.84
	Water	\$ -	\$ 99,479.89	\$ 99,479.89	\$ -	\$ 1,542,237.47	\$ 1,492,210.86
	PAYROLL TOTAL	\$ -	\$ 339,225.78	\$ 339,225.78	\$ -	\$ 5,244,244.12	\$ 5,171,237.82

* The year to date totals for this Warrant Report are for the 2019-20 fiscal year starting July 1, 2019.

City of Hesperia

STAFF REPORT



DATE: February 18, 2020

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: Treasurer's Cash Report for the unaudited period ended December 31, 2019

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.

FISCAL IMPACT

These reports reflect unaudited cash balances as of December 31, 2019.

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)	\$ 4,331,335.77
Fire District Fund (200)	18,672.54
HFPD (PERS) (210)	426,677.62
AB27666 - Transit (254)	(453,652.69)
AB3229 Supplemental Law (255)	164,435.90
AD No. 91-1 (802)	366,206.87
Beverage Recycling Grant (256)	155,997.62
CFD 2005-1 (807)	524,997.05
HFPD Transition (808)	57,711.72
City Wide-Capital Projects (504)	(230,235.10)
Community Dev Block Grant (251, 252, & 253)	599,771.05
Development Impact Fund (300-304)	9,202,063.11
Development Impact Fund 2018 (306-312)	2,474,531.47
Disaster (260)	43,425.45
Gas Tax Fund (205)	11,761.38
Gas Tax - RMRA (209)	934,348.27
Gas Tax Swap (206)	52,641.26
Local Transportation SB325 (207)	1,610,652.83
Measure I - Renewal (204)	5,291,229.39
Neighborhood Stabilization Prog (257)	2,287,826.61
Public Works Street Maint (263)	983,376.48
Trust Fund (801, 803-806, & 815)	2,163,490.64
2012 Water Rights Acquisition (402)	(1,006,427.49)
2013 Refunding Lease Rev Bonds (403)	(133,324.99)
TOTAL CITY FUNDS	<u>\$ 29,877,512.76</u>

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY

<u>FUND</u>	<u>VALUE</u>
RORF Retention - (163)	<u>\$ 5,014,954.28</u>

HESPERIA HOUSING AUTHORITY

<u>FUND</u>	<u>VALUE</u>
Hesperia Housing Authority Fund (370)	\$ 3,532,283.36
VVEDA Housing Authority (371)	1,789,618.99
TOTAL HOUSING AUTHORITY FUNDS	<u>\$ 5,321,902.35</u>

COMMUNITY DEVELOPMENT COMMISSION

<u>FUND</u>	<u>VALUE</u>
Community Development Commission Fund (170)	<u>\$ (1,153,274.35)</u>

WATER

<u>FUND</u>	<u>VALUE</u>
Water Operating (700)	\$ 6,315,312.85
Water Capital (701)	(13,337,384.09)
Water Capital Rehab and Replace (703)	1,408,301.13
Water Contamination Mitigation (704)	1,402,731.77
Sewer Operating (710)	11,217,416.27
Sewer Capital (711)	4,343,042.72
Sewer Capital Rehab and Replace (713)	241,273.30
TOTAL WATER FUNDS	<u>\$ 11,590,693.95</u>

City of Hesperia
Investment Report
Unaudited
December 31, 2019

ATTACHMENT 1

Type of Investment	Institution/ Fiscal Agent	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.	2.043%	31-Dec-19	Demand	\$ 21,559,708.47	21,559,708.47	21,559,708.47	
Money Market	Bank of the West	1.260%	31-Dec-19	Demand	4,433,217.82	4,433,217.82	4,433,217.82	
Citizens Business Bank Checking	Citizens Bus Bank	n/a	31-Dec-19	Demand	3,884,586.47	3,884,586.47	3,884,586.47	
Total Unaudited Investments under the direction of the City					\$ 29,877,512.76	\$ 29,877,512.76	\$ 29,877,512.76	

Investments under the direction of fiscal agents:

2012 Lease Revenue Bonds	Union	1.600%	31-Dec-19	Demand	315.00	315.00	315.00	2012 - Water Rights Revenue Fund
2012 Lease Revenue Bonds	Union	1.600%	31-Dec-19	Demand	1,461,130.44	1,461,130.44	1,461,130.44	2012 - Water Rights Reserve Fund
2012 Lease Revenue Bonds	Union	0.000%	31-Dec-19	Demand	0.31	0.31	0.31	2012 - Water Rights Surplus Revenue Fund
2013 Refunding Lease Revenue Bonds	Union	1.600%	31-Dec-19	Demand	555.54	555.54	555.54	2005 Civic Plaza - Revenue Fund
2013 Refunding Lease Revenue Bonds	Union	1.600%	31-Dec-19	Demand	1,156,875.25	1,156,875.25	1,156,875.25	2005 Civic Plaza - Reserve Fund
2013 Refunding Lease Revenue Bonds	Union	0.000%	31-Dec-19	Demand	0.31	0.31	0.31	2005 Civic Plaza - Surplus Rev Fund
2014 CFD 2005-1 Refunding	Union	1.600%	31-Dec-19	Demand	280.88	280.88	280.88	2014 CFD 05-1 - Special Tax Fund
2014 CFD 2005-1 Refunding	Union	1.600%	31-Dec-19	Demand	93.46	93.46	93.46	2014 CFD 05-1 - Bond Fund
2014 CFD 2005-1 Refunding	Union	1.600%	31-Dec-19	Demand	1,439,747.57	1,439,747.57	1,439,747.57	2014 CFD 05-1 - Reserve Fund
2014 CFD 2005-1 Refunding	Union	1.600%	31-Dec-19	Demand	23,770.41	23,770.41	23,770.41	2014 CFD 05-1 Administrative Expense Bonds
Deposits - Workers' Comp	PERMA	n/a	31-Dec-19	n/a	1,266,513.80	1,266,513.80	1,266,513.80	GL 1352
Total Unaudited Investments under the direction of fiscal agents					\$ 5,349,282.97	5,349,282.97	5,349,282.97	

Please Note: All market value data is provided courtesy of the City's fiscal agents,
Union Bank of California & Bank of New York (BNY) Trust Company.

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.


Virginia Villasenor, Senior Accountant

Investment Report**Unaudited**
December 31, 2019

<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>	<u>Account Description</u>
Investments under the direction of the City:								
Local Agency Investment Funds	State of Calif.	2.043%	31-Dec-19	Demand	\$ 3,618,807.00	\$ 3,618,807.00	3,618,807.00	
Money Market	Bank of the West	1.260%	31-Dec-19	Demand	744,117.65	744,117.65	744,117.65	
Citizens Business Bank Checking	Citizens Bus Bank	n/a	31-Dec-19	Demand	652,029.63	652,029.63	652,029.63	
Total Unaudited Investments under the direction of the City					\$ 5,014,954.28	\$ 5,014,954.28	\$ 5,014,954.28	

Investments under the direction of fiscal agents:

2018 Refunding Bonds	Union	0.000%	31-Dec-19	Demand	1.00	1.00	1.00	2018A & 2018B - Debt Service Account
2018 Refunding Bonds	Union	1.540%	31-Dec-19	Demand	4,851.90	4,851.90	4,851.90	2018A & 2018B - Interest Account
2018 Refunding Bonds	Union	0.000%	31-Dec-19	Demand	1.00	1.00	1.00	2018A & 2018B - Reserve Account
Total Unaudited Investments under the direction of fiscal agents					\$ 4,853.90	\$ 4,853.90	\$ 4,853.90	

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

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


Virginia Villasenor, Senior Accountant

Investment Report**Unaudited****December 31, 2019**

<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>
Investments under the direction of the City:							
Local Agency Investment Funds	State of California	2.043%	31-Dec-19	Demand	\$ 3,840,301.70	3,840,301.70	3,840,301.70
Money Market	Bank of the West	1.260%	31-Dec-19	Demand	789,662.53	789,662.53	789,662.53
Citizens Business Bank Checking	Citizens Business Bank	n/a	31-Dec-19	Demand	691,938.12	691,938.12	691,938.12
Total Unaudited Investments under the direction of the City					\$ 5,321,902.35	\$ 5,321,902.35	\$ 5,321,902.35

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.


Virginia Villasenor, Senior Accountant

Investment Report**Unaudited****December 31, 2019**

<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>
Investments under the direction of the City:							
Local Agency Investment Funds	State of California	2.043%	31-Dec-19	Demand	\$ (832,206.45)	(832,206.45)	(832,206.45)
Money Market	Bank of the West	1.260%	31-Dec-19	Demand	(171,122.56)	(171,122.56)	(171,122.56)
Citizens Business Bank Checking	Citizens Business Bank	n/a	31-Dec-19	Demand	(149,945.34)	(149,945.34)	(149,945.34)
Total Unaudited Investments under the direction of the City					\$ (1,153,274.35)	\$ (1,153,274.35)	\$ (1,153,274.35)

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.


Virginia Villasenor, Senior Accountant

Hesperia Water District
Investment Report
Unaudited
December 31, 2019

ATTACHMENT 5

<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>	<u>Account Description</u>
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Investments under the direction of the City:

Local Agency Investment Funds	State of California	2.043%	31-Dec-19	Demand	\$ 8,363,881.71	8,363,881.71	8,363,881.71	
Money Market	Bank of the West	1.260%	31-Dec-19	Demand	1,719,824.25	1,719,824.25	1,719,824.25	
Citizens Business Bank Checking	Citizens Business Bank	n/a	31-Dec-19	Demand	1,506,987.99	1,506,987.99	1,506,987.99	
Total Unaudited Investments under the direction of the City					\$ 11,590,693.95	\$ 11,590,693.95	\$ 11,590,693.95	

Investments under the direction of fiscal agents:

First American Treas - Money Market	US Bank	0.000%	31-Dec-19	Demand	9,146.57	9,146.57	9,146.57	98 A - 95453340
First American Treas - Money Market	US Bank	0.000%	31-Dec-19	Demand	32.06	33.06	32.06	98 A - 95453341
98 A Dep w/Trustee - Collateral	Bank of America	2.400%	31-Dec-19	Demand	1,880,000.00	1,880,000.00	1,880,000.00	GL 1319
Deposits - Workers' Comp	PERMA	n/a	31-Dec-19	n/a	650,626.91	650,626.91	650,626.91	GL 1352
Deposits w/Other Agencies	Various	n/a	31-Dec-19	n/a	0.00	0.00	0.00	GL 1350
Total Unaudited Investments under the direction of fiscal agents					\$ 2,539,805.54	\$ 2,539,806.54	\$ 2,539,805.54	

Please Note: All market value data is provided courtesy of the City's fiscal agents
Bank of New York (BNY) Trust Company and 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.


Virginia Villasenor, Senior Accountant

City of Hesperia STAFF REPORT



DATE: February 18, 2020
TO: Mayor and Council Members
FROM: Nils Bentsen, City Manager
BY: Michael Blay, Assistant City Manager
Michael Thornton, City Engineer
Jamie Carone, Administrative Analyst
SUBJECT: Tract Map No. 18985-1

RECOMMENDED ACTION

It is recommended that the City Council adopt Resolution No. 2020-006 approving Tract Map No. 18985-1 to create three parcels from 2,856.74 gross acres located south of the intersection of Ranchero Road and I Avenue (Applicant: Hesperia Venture I, LLC).

BACKGROUND

On January 26, 2016, the Planning Commission approved Tentative Tract Map No. 18985, a finance map. The map will be used for finance and conveyance purposes only. The map does not create a legal building site. Further applications are necessary to develop the subject property. The Applicant has requested that the approved tentative map be recorded in phases with the subject map being the first phase.

Staff has reviewed the map and determined that it substantially conforms to the approved tentative map and complies with all Specific Plan requirements, all required conditions of approval, and with all local ordinances related to the creation of these parcels.

ISSUES/ANALYSIS

There are no issues identified with this item.

FISCAL IMPACT

There are no significant fiscal impacts to the City related to this action.

ALTERNATIVE(S)

1. Provide alternative direction to staff.

ATTACHMENT(S)

1. Resolution No. 2020-006
2. Tract Map No. 18985-1

RESOLUTION NO. 2020-006

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HESPERIA, CALIFORNIA, APPROVING TRACT MAP NO. 18985-1 TO CREATE THREE PARCELS FROM 2,856.74 GROSS ACRES LOCATED SOUTH OF THE INTERSECTION OF RANCHERO ROAD AND I AVENUE (APPLICANT: HESPERIA VENTURE I, LLC).

WHEREAS, On January 26, 2016, the Planning Commission approved Tentative Tract Map No. 18985, a finance map. The map will be used for finance and conveyance purposes only. The map does not create a legal building site. Further applications are necessary to develop the subject property; and

WHEREAS, Tract Map No. 18985-1 is to create three parcels from 2,856.74 gross acres located South of the intersection of Ranchero Road; and

WHEREAS, the Applicant has requested that the approved tentative map be recorded in phases with the subject map being the first phase; and

WHEREAS, Staff has reviewed the map and determined that it substantially conforms to the approved tentative map and complies with all Specific Plan requirements, all required conditions of approval, and with all local ordinances related to the creation of these parcels; and

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

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

Section 1. Tract Map No. 18985-1 is hereby approved and the City Clerk is authorized to present same to the County Recorder to be filed for record.

Section 2. That the 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 18th day of February, 2020.

Larry Bird
Mayor

ATTEST:

Melinda Sayre
City Clerk

OWNER'S STATEMENT

WE HEREBY STATE THAT WE ARE THE ONLY PARTY HAVING ANY RECORD TITLE INTEREST IN THE LAND SUBDIVIDED AS SHOWN ON THIS MAP, AND WE CONSENT TO THE PREPARATION AND RECORDATION OF THIS FINAL MAP.

HESPERIA VENTURE I, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

BY: PC CORPORATE MANAGEMENT LP

BY: BOB SCHLEGEL, IT'S MANAGING MEMBER
NAME AND TITLE:

TRUSTEE STATEMENT

FIRST AMERICAN TITLE INSURANCE COMPANY, A NEBRASKA CORPORATION AS TRUSTEE UNDER DEED OF TRUST RECORDED NOVEMBER 7, 2012 AS DOC. NO. 2012-0462623 O.R.

BY:
NAME AND TITLE:

NOTARY ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA
COUNTY OF
ON BEFORE ME, A NOTARY PUBLIC PERSONALLY APPEARED WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND AND OFFICIAL SEAL.

NAME (PRINT)

SIGNATURE

MY PRINCIPAL PLACE OF BUSINESS IS IN COUNTY.

MY COMMISSION NUMBER:
EXPIRES:

NOTARY ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA
COUNTY OF
ON BEFORE ME, A NOTARY PUBLIC PERSONALLY APPEARED WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND AND OFFICIAL SEAL.

SIGNATURE

MY PRINCIPAL PLACE OF BUSINESS IS IN COUNTY.

MY COMMISSION NUMBER:
EXPIRES:

IN THE CITY OF HESPERIA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA
TRACT MAP NO. 18985-1
BEING A SUBDIVISION OF PARCELS 3, 4, 6 AND 7 OF PARCEL MAP NO. 13471 AS PER MAP FILED IN BOOK 172, PAGES 86 THROUGH 101, INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AND LYING WITHIN SECTIONS 2, 3, 9 THROUGH 12, 14 THROUGH 16, 21 AND 22, IN TOWNSHIP 3 NORTH, RANGE 4 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA.

INLAND VALLEY SURVEYING, INC.

NOVEMBER, 2019

NOTARY ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA
COUNTY OF
ON BEFORE ME, A NOTARY PUBLIC PERSONALLY APPEARED WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND AND OFFICIAL SEAL.

SIGNATURE

MY PRINCIPAL PLACE OF BUSINESS IS IN COUNTY.

MY COMMISSION NUMBER:
EXPIRES:

NOTARY ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA
COUNTY OF
ON BEFORE ME, A NOTARY PUBLIC PERSONALLY APPEARED WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND AND OFFICIAL SEAL.

SIGNATURE

MY PRINCIPAL PLACE OF BUSINESS IS IN COUNTY.

MY COMMISSION NUMBER:
EXPIRES:

"THIS MAP IS FOR FINANCE AND CONVEYANCE PURPOSES ONLY."

AUDITOR'S CERTIFICATE CERTIFICATE

I HEREBY CERTIFY THAT ACCORDING TO THE RECORDS OF THE OFFICE, AS OF THIS DATE, THERE ARE NO LIENS AGAINST THE REAL PROPERTY SHOWN UPON THIS MAP FOR UNPAID STATE, COUNTY, MUNICIPAL, OR LOCAL TAXES, SPECIAL ASSESSMENTS COLLECTED AS TAXES, EXCEPT TAXES OR SPECIAL ASSESSMENTS NOT YET PAYABLE, ESTIMATED TO BE \$.

DATE: , 2020

ENSEN MASON
AUDITOR-CONTROLLER/TREASURER/TAX COLLECTOR
COUNTY OF SAN BERNARDINO

BY: ,DEPUTY

BOARD OF SUPERVISOR'S CERTIFICATE

I HEREBY CERTIFY THAT A BOND IN THE SUM OF \$ HAS BEEN EXECUTED AND FILED WITH THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, CONDITIONED UPON THE PAYMENT OF ALL TAXES, STATE, COUNTY, MUNICIPAL OR LOCAL, AND ALL SPECIAL ASSESSMENTS, COLLECTED AS TAXES, WHICH AT THE TIME OF THE FILING OF THIS MAP WITH THE COUNTY RECORDER ARE A LIEN AGAINST SAID PROPERTY, BUT NOT YET PAYABLE AND THAT THE SUBDIVIDER HAS FILED WITH ME A CERTIFICATE BY THE PROPER OFFICER GIVING HIS ESTIMATE OF THE AMOUNT OF SAID TAXES AND SPECIAL ASSESSMENTS, AND SAID BOND IS HEREBY ACCEPTED.

DATE: , 2020

LYNNA MONELL
CLERK OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN BERNARDINO

BY: , DEPUTY

SIGNATURE OMISSIONS:

PURSUANT TO THE PROVISIONS OF SECTION 66436 OF THE SUBDIVISION MAP ACT, THE FOLLOWING SIGNATURES HAVE BEEN OMITTED:

THE SIGNATURE OF SOUTHERN CALIFORNIA GAS COMPANY AND THE SOUTHERN COUNTIES GAS COMPANY OF CALIFORNIA, HOLDER OF AN EASEMENT FOR PIPELINES, PER DEED RECORDED NOVEMBER 25, 1959 IN BOOK 4991 PAGE 520 O.R.

THE SIGNATURE OF SOUTHERN CALIFORNIA GAS COMPANY AND THE SOUTHERN COUNTIES GAS COMPANY OF CALIFORNIA, HOLDER OF AN EASEMENT FOR PIPELINES AND PATROL ROAD PURPOSES, PER DEED RECORDED APRIL 4, 1960 IN BOOK 5101, PAGE 314 O.R.

THE SIGNATURE OF SOUTHERN CALIFORNIA EDISON COMPANY, HOLDER OF AN EASEMENT FOR RIGHT OF WAY PURPOSES, PER DEED RECORDED NOVEMBER 10, 1965 IN BOOK 6510, PAGE 404 O.R.

THE SIGNATURE OF DEWEER COMPANY, HOLDER OF AN EASEMENT FOR OVERFLOW AND FLOODING PURPOSES, PER DEED RECORDED MARCH 24, 1972 IN BOOK 7893, PAGE 949 O.R.

THE SIGNATURE OF SOUTHERN CALIFORNIA EDISON COMPANY, HOLDER OF AN EASEMENT FOR PUBLIC UTILITIES, PER DEED RECORDED JANUARY 24, 1974 IN BOOK 8354, PAGE 168 O.R.

THE SIGNATURE OF SOUTHERN CALIFORNIA EDISON COMPANY, HOLDER OF AN EASEMENT FOR ELECTRIC TRANSMISSION LINES, TOWERS AND INGRESS AND EGRESS, PER DEED RECORDED APRIL 18, 1977 IN BOOK 9158, PAGE 32 O.R.

THE SIGNATURE OF THE UNITED STATES OF AMERICA, HOLDER OF AN EASEMENT FOR TRAIL PURPOSES, PER DEED RECORDED APRIL 1, 1980, AS INSTRUMENT NO. 80-080034 O.R.

THE SIGNATURE OF SOUTHERN CALIFORNIA EDISON COMPANY, HOLDER OF AN EASEMENT FOR EITHER OR BOTH POLE LINES, CONDUITS AND INCIDENTAL PURPOSES, PER DEED RECORDED APRIL 27, 1983, AS INSTRUMENT NO. 83-089431 O.R.

THE SIGNATURE OF SAN BERNARDINO COUNTY, HOLDER OF AN EASEMENT FOR HIGHWAY AND ROAD PURPOSES, PER DEED RECORDED FEBRUARY 24, 1989, AS INSTRUMENT NO. 89-066279 O.R.

THE SIGNATURE OF SOUTHERN CALIFORNIA EDISON COMPANY, HOLDER OF AN EASEMENT FOR ABOVE GROUND OR UNDERGROUND CONDUITS OR BOTH AND INCIDENTAL PURPOSES, PER DEED RECORDED MARCH 9, 1989, AS INSTRUMENT NO. 89-085279 O.R.

THE SIGNATURE OF THE INTERSTATE TELEGRAPH COMPANY, HOLDER OF AN EASEMENT FOR POLE LINES AND APPURTENANCES AND INCIDENTAL PURPOSES, ACQUIRED BY DEED RECORDED FEBRUARY 21, 1913 IN BOOK 527, PAGE 4 OF DEEDS. (THIS EASEMENT CANNOT BE LOCATED FROM THE RECORD)

THE SIGNATURE OF THE STATE OF CALIFORNIA, HOLDER OF AN EASEMENT FOR PUBLIC WAY FOR TRAVEL BY NON-MOTORIZED BICYCLE AND BY FOOT AND INCIDENTAL PURPOSES, ACQUIRED BY DEED RECORDED OCTOBER 24, 1974 IN BOOK 8543, PAGE 923 OF OFFICIAL RECORDS. (THIS EASEMENT CANNOT BE LOCATED FROM THE RECORD.)

THE SIGNATURE OF THE UNITED STATES OF AMERICA, HOLDER OF AN EASEMENT FOR A RIGHT OF WAY FOR DITCHES AND CANALS, PER PATENT RECORDED MAY 23, 1990, AS INSTRUMENT NO. 90-202828 O.R.

SHEET 1 OF 5 SHEETS

SURVEYOR'S STATEMENT

THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION AND WAS COMPILED FROM RECORD DATA IN CONFORMANCE WITH THE REQUIREMENTS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCE AT THE REQUEST OF HESPERIA VENTURE I, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY ON NOVEMBER, 2019. I HEREBY STATE THAT THIS TRACT MAP SUBSTANTIALLY CONFORMS TO THE CONDITIONALLY APPROVED TENTATIVE MAP, IF ANY.

DATE: , 2019

MIGUEL A. VILLASENOR
L.S. 8509
EXP. 12/31/20



CITY ENGINEER'S STATEMENT

I HEREBY CERTIFY THAT I HAVE EXAMINED THIS MAP, AND THAT THE SUBDIVISION SHOWN THEREON IS SUBSTANTIALLY THE SAME AS IT APPEARED ON THE TENTATIVE MAP AND ANY APPROVED ALTERATIONS THERETO, AND THAT ALL THE PROVISIONS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCES HAVE BEEN COMPLIED WITH, AND I AM SATISFIED THAT THIS MAP IS TECHNICALLY CORRECT.

DATE: , 2020

BY: MICHAEL P. THORTON, CITY ENGINEER
R.C.E. NO. 44226, P.L.S. 6867
EXPIRES: 06/30/2021, 09/30/2020



CITY COUNCIL'S ACCEPTANCE CERTIFICATE

THE UNDERSIGNED OFFICER ON BEHALF OF THE CITY COUNCIL PURSUANT TO AUTHORITY CONFERRED BY TITLE 17 OF THE CITY HESPERIA MUNICIPAL CODE, HEREBY APPROVES THE ANNEXED MAP

DATE: , 2020

EVA HETER
DEPUTY CITY CLERK, CITY OF HESPERIA

SAN BERNARDINO COUNTY RECORDER'S CERTIFICATE

THIS MAP HAS BEEN FILED UNDER DOCUMENT NUMBER THIS DAY OF , 2020. AT M IN BOOK OF MAPS AT PAGES AT THE REQUEST OF FIRST AMERICAN TITLE COMPANY, IN THE AMOUNT OF \$

BOB DUTTON
ASSESSOR-RECORDER
COUNTY OF SAN BERNARDINO

BY: DEPUTY RECORDER

TRACT MAP NO. 18985-1

BEING A SUBDIVISION OF PARCELS 3, 4, 6 AND 7 OF PARCEL MAP NO. 13471 AS PER MAP FILED IN BOOK 172, PAGES 86 THROUGH 101, INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AND LYING WITHIN SECTIONS 2, 3, 9 THROUGH 12, 14 THROUGH 16, 21 AND 22, IN TOWNSHIP 3 NORTH, RANGE 4 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA.

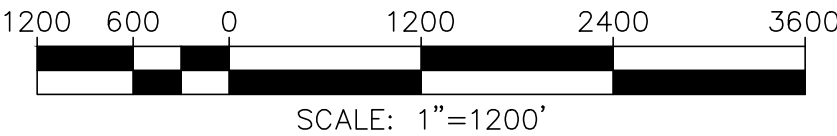
INLAND VALLEY SURVEYING, INC.

NOVEMBER, 2019

SURVEYOR'S NOTES

THIS MAP WAS COMPILED FROM RECORD DATA AND IS BASED UPON RECORDS OF PARCEL MAP 13471, FILED IN BOOK 172, PAGES 86 THROUGH 101, INCLUSIVE, OF PARCEL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY, CALIFORNIA.

- INDICATES LOCATION OF A 1" I.P., FLUSH, WITH PLASTIC PLUG STAMPED "L.S. 3069" SET PER R.S. 72/23-50 AND SHOWN ON PARCEL MAP NO. 13471, P.M.B. 172/86-101.
- INDICATES LOCATION OF 3/4" I.P., PER R.S. 72/23-50 AND MARKED AS SHOWN PER PARCEL MAP NO. 13471, P.M.B. 172/86-101.
- INDICATES LOCATION OF 1" I.P., PER R.S. 72/23-50 AND MARKED AS SHOWN PER PARCEL MAP NO. 13471, P.M.B. 172/86-101.
- ▣ INDICATES LOCATION OF 1 1/4" I.P., PER R.S. 72/23-50 AND MARKED AS SHOWN PER PARCEL MAP NO. 13471, P.M.B. 172/86-101.
- ▲ INDICATES LOCATION OF 1 1/2" I.P., PER R.S. 72/23-50 AND MARKED AS SHOWN PER PARCEL MAP NO. 13471, P.M.B. 172/86-101.
- △ INDICATES LOCATION OF 2" I.P., PER R.S. 72/23-50 AND MARKED AS SHOWN PER PARCEL MAP NO. 13471, P.M.B. 172/86-101.
- () INDICATES RECORD DATA PER PARCEL MAP NO. 13471, P.M.B. 172/86-101.



BASIS OF BEARINGS

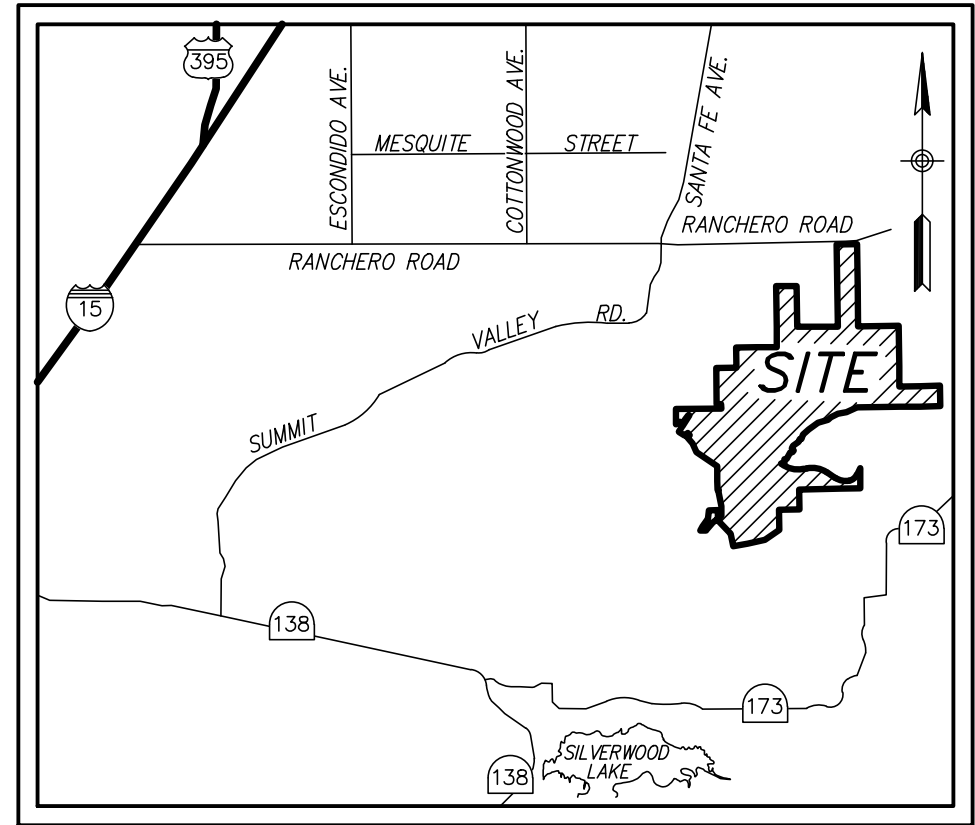
THE BEARINGS SHOWN ON THIS MAP ARE THOSE SHOWN ON RECORD OF SURVEY FILED IN BOOK 72, PAGES 23 THROUGH 50, INCLUSIVE, OF RECORDS OF SURVEY AND PARCEL MAP 13471, FILED IN BOOK 172, PAGES 86 THROUGH 101, INCLUSIVE, OF PARCEL MAPS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY, CALIFORNIA. BEING N 00°49'40"W FOR THE WEST LINE OF THE NORTHWEST QUARTER SECTION 2, TOWNSHIP 3 NORTH, RANGE 4 WEST, SAN BERNARDINO MERIDIAN.

INDEX AND BOUNDARY MAP

EASEMENT NOTES

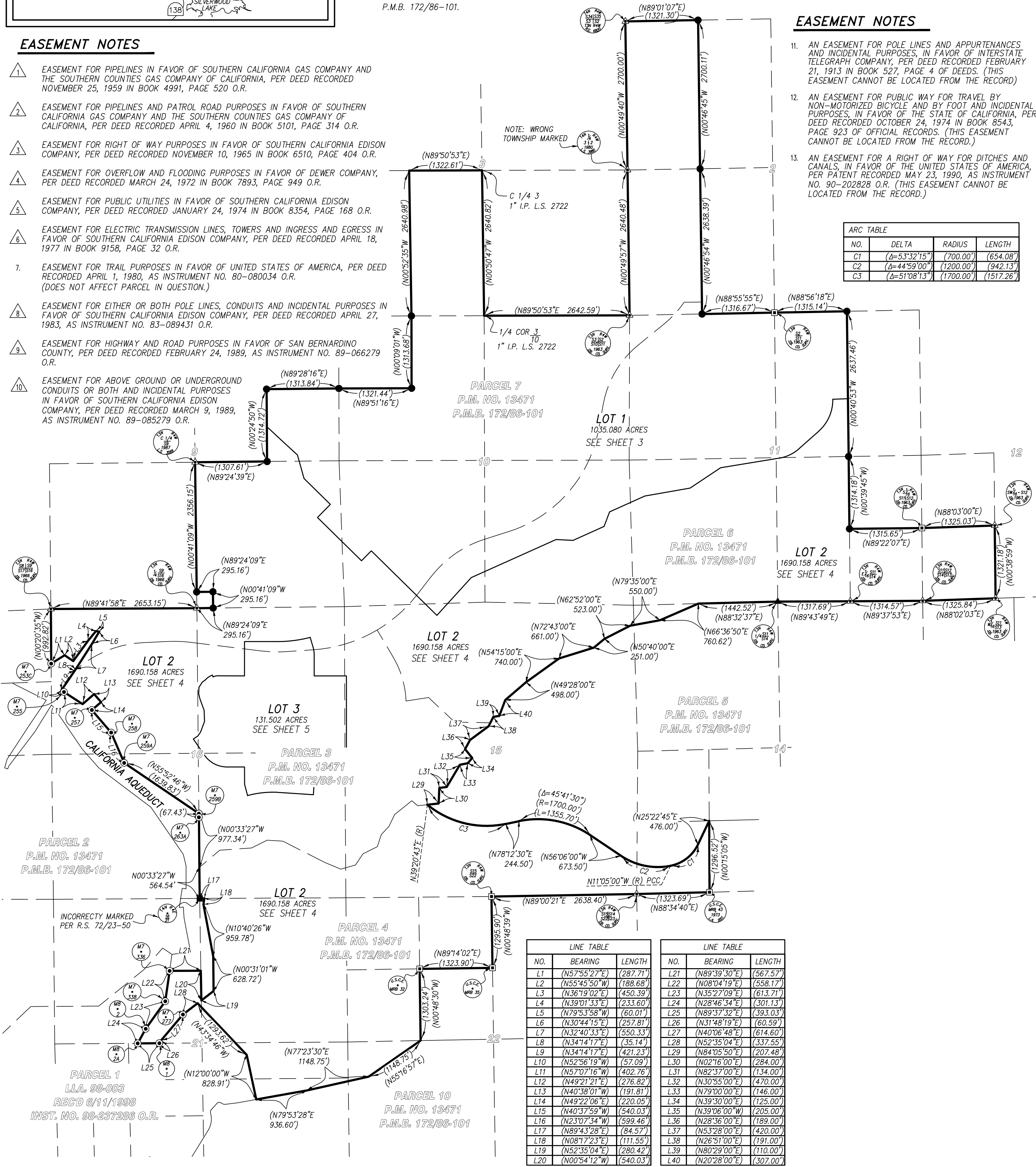
11. AN EASEMENT FOR POLE LINES AND APPURTENANCES AND INCIDENTAL PURPOSES, IN FAVOR OF INTERSTATE TELEGRAPH COMPANY, PER DEED RECORDED FEBRUARY 21, 1913 IN BOOK 527, PAGE 4 OF DEEDS. (THIS EASEMENT CANNOT BE LOCATED FROM THE RECORD)
12. AN EASEMENT FOR PUBLIC WAY FOR TRAVEL BY NON-MOTORIZED BICYCLE AND BY FOOT AND INCIDENTAL PURPOSES, IN FAVOR OF THE STATE OF CALIFORNIA, PER DEED RECORDED OCTOBER 24, 1974 IN BOOK 8543, PAGE 923 OF OFFICIAL RECORDS. (THIS EASEMENT CANNOT BE LOCATED FROM THE RECORD.)
13. AN EASEMENT FOR A RIGHT OF WAY FOR DITCHES AND CANALS, IN FAVOR OF THE UNITED STATES OF AMERICA, PER PATENT RECORDED MAY 23, 1990, AS INSTRUMENT NO. 90-202828 O.R. (THIS EASEMENT CANNOT BE LOCATED FROM THE RECORD.)

NO.	DELTA	RADIUS	LENGTH
C1	(Δ=53°32'15")	(700.00')	(654.08')
C2	(Δ=44°59'00")	(1200.00')	(942.13')
C3	(Δ=51°08'13")	(1700.00')	(1517.26')



EASEMENT NOTES

1. EASEMENT FOR PIPELINES IN FAVOR OF SOUTHERN CALIFORNIA GAS COMPANY AND THE SOUTHERN COUNTIES GAS COMPANY OF CALIFORNIA, PER DEED RECORDED NOVEMBER 25, 1959 IN BOOK 4991, PAGE 520 O.R.
2. EASEMENT FOR PIPELINES AND PATROL ROAD PURPOSES IN FAVOR OF SOUTHERN CALIFORNIA GAS COMPANY AND THE SOUTHERN COUNTIES GAS COMPANY OF CALIFORNIA, PER DEED RECORDED APRIL 4, 1960 IN BOOK 5101, PAGE 314 O.R.
3. EASEMENT FOR RIGHT OF WAY PURPOSES IN FAVOR OF SOUTHERN CALIFORNIA EDISON COMPANY, PER DEED RECORDED NOVEMBER 10, 1965 IN BOOK 6510, PAGE 404 O.R.
4. EASEMENT FOR OVERFLOW AND FLOODING PURPOSES IN FAVOR OF DEWEY COMPANY, PER DEED RECORDED MARCH 24, 1972 IN BOOK 7893, PAGE 949 O.R.
5. EASEMENT FOR PUBLIC UTILITIES IN FAVOR OF SOUTHERN CALIFORNIA EDISON COMPANY, PER DEED RECORDED JANUARY 24, 1974 IN BOOK 8354, PAGE 168 O.R.
6. EASEMENT FOR ELECTRIC TRANSMISSION LINES, TOWERS AND INGRESS AND EGRESS IN FAVOR OF SOUTHERN CALIFORNIA EDISON COMPANY, PER DEED RECORDED APRIL 18, 1977 IN BOOK 9158, PAGE 32 O.R.
7. EASEMENT FOR TRAIL PURPOSES IN FAVOR OF UNITED STATES OF AMERICA, PER DEED RECORDED APRIL 1, 1980, AS INSTRUMENT NO. 80-080034 O.R. (DOES NOT AFFECT PARCEL IN QUESTION.)
8. EASEMENT FOR EITHER OR BOTH POLE LINES, CONDUITS AND INCIDENTAL PURPOSES IN FAVOR OF SOUTHERN CALIFORNIA EDISON COMPANY, PER DEED RECORDED APRIL 27, 1983, AS INSTRUMENT NO. 83-089431 O.R.
9. EASEMENT FOR HIGHWAY AND ROAD PURPOSES IN FAVOR OF SAN BERNARDINO COUNTY, PER DEED RECORDED FEBRUARY 24, 1989, AS INSTRUMENT NO. 89-066279 O.R.
10. EASEMENT FOR ABOVE GROUND OR UNDERGROUND CONDUITS OR BOTH AND INCIDENTAL PURPOSES IN FAVOR OF SOUTHERN CALIFORNIA EDISON COMPANY, PER DEED RECORDED MARCH 9, 1989, AS INSTRUMENT NO. 89-085279 O.R.



LINE TABLE			LINE TABLE		
NO.	BEARING	LENGTH	NO.	BEARING	LENGTH
L1	(N57°55'27"E)	(287.71')	L21	(N89°39'30"E)	(567.57')
L2	(N55°45'50"W)	(188.68')	L22	(N08°04'19"E)	(558.17')
L3	(N36°19'02"E)	(450.39')	L23	(N35°27'09"E)	(613.71')
L4	(N39°01'33"E)	(233.60')	L24	(N28°46'34"E)	(301.13')
L5	(N79°53'58"W)	(60.01')	L25	(N89°37'32"E)	(393.03')
L6	(N30°44'15"E)	(257.81')	L26	(N31°48'19"E)	(60.59')
L7	(N32°40'33"E)	(550.33')	L27	(N40°06'48"E)	(614.60')
L8	(N34°14'17"E)	(35.14')	L28	(N52°35'04"E)	(337.55')
L9	(N34°14'17"E)	(421.23')	L29	(N84°05'50"E)	(207.48')
L10	(N52°56'19"W)	(57.09')	L30	(N02°16'00"E)	(284.00')
L11	(N57°07'16"W)	(402.76')	L31	(N82°37'00"E)	(134.00')
L12	(N49°21'21"E)	(276.82')	L32	(N30°55'00"E)	(470.00')
L13	(N40°38'01"W)	(191.81')	L33	(N79°00'00"E)	(146.00')
L14	(N49°22'06"E)	(220.05')	L34	(N39°30'00"E)	(125.00')
L15	(N40°37'59"W)	(540.03')	L35	(N39°06'00"W)	(205.00')
L16	(N23°07'34"W)	(599.46')	L36	(N28°36'00"E)	(189.00')
L17	(N89°43'28"E)	(84.57')	L37	(N53°28'00"E)	(420.00')
L18	(N08°17'23"E)	(111.55')	L38	(N26°51'00"E)	(191.00')
L19	(N52°35'04"E)	(280.42')	L39	(N80°29'00"E)	(110.00')
L20	(N00°54'12"W)	(540.03')	L40	(N20°28'00"E)	(307.00')

IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA

TRACT MAP NO. 18985-1

SHEET 3 OF 5 SHEETS

BEING A SUBDIVISION OF PARCELS 3, 4, 6 AND 7 OF PARCEL MAP NO. 13471 AS PER MAP FILED IN BOOK 172, PAGES 86 THROUGH 101, INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AND LYING WITHIN SECTIONS 2, 3, 9 THROUGH 12, 14 THROUGH 16, 21 AND 22, IN TOWNSHIP 3 NORTH, RANGE 4 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA.

SURVEYOR'S NOTES

SEE SHEET 2

EASEMENT NOTES

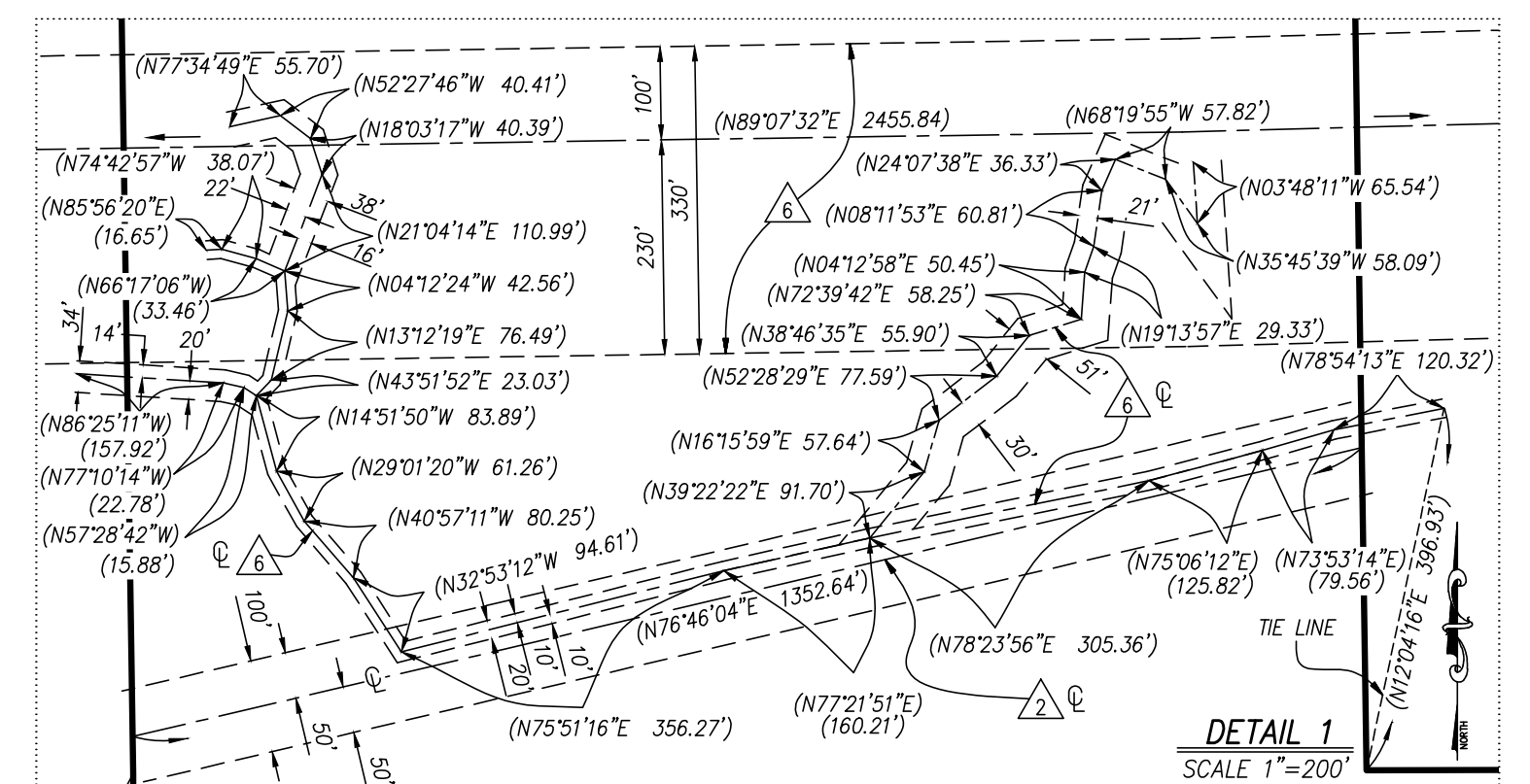
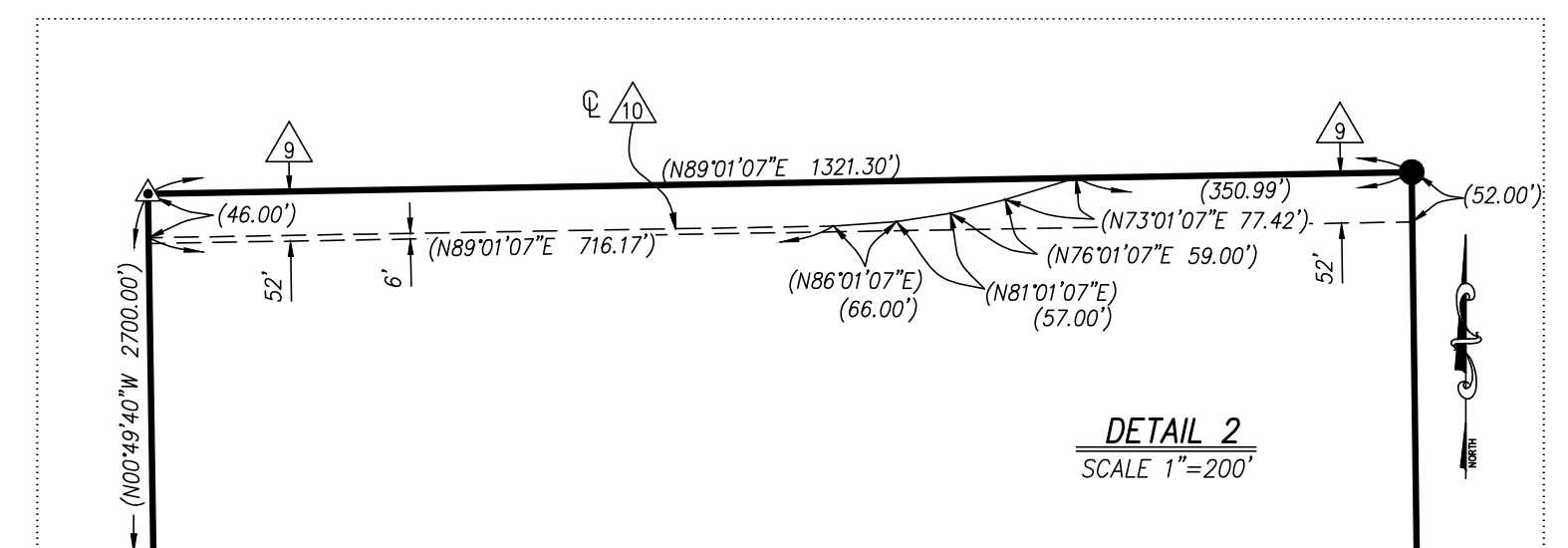
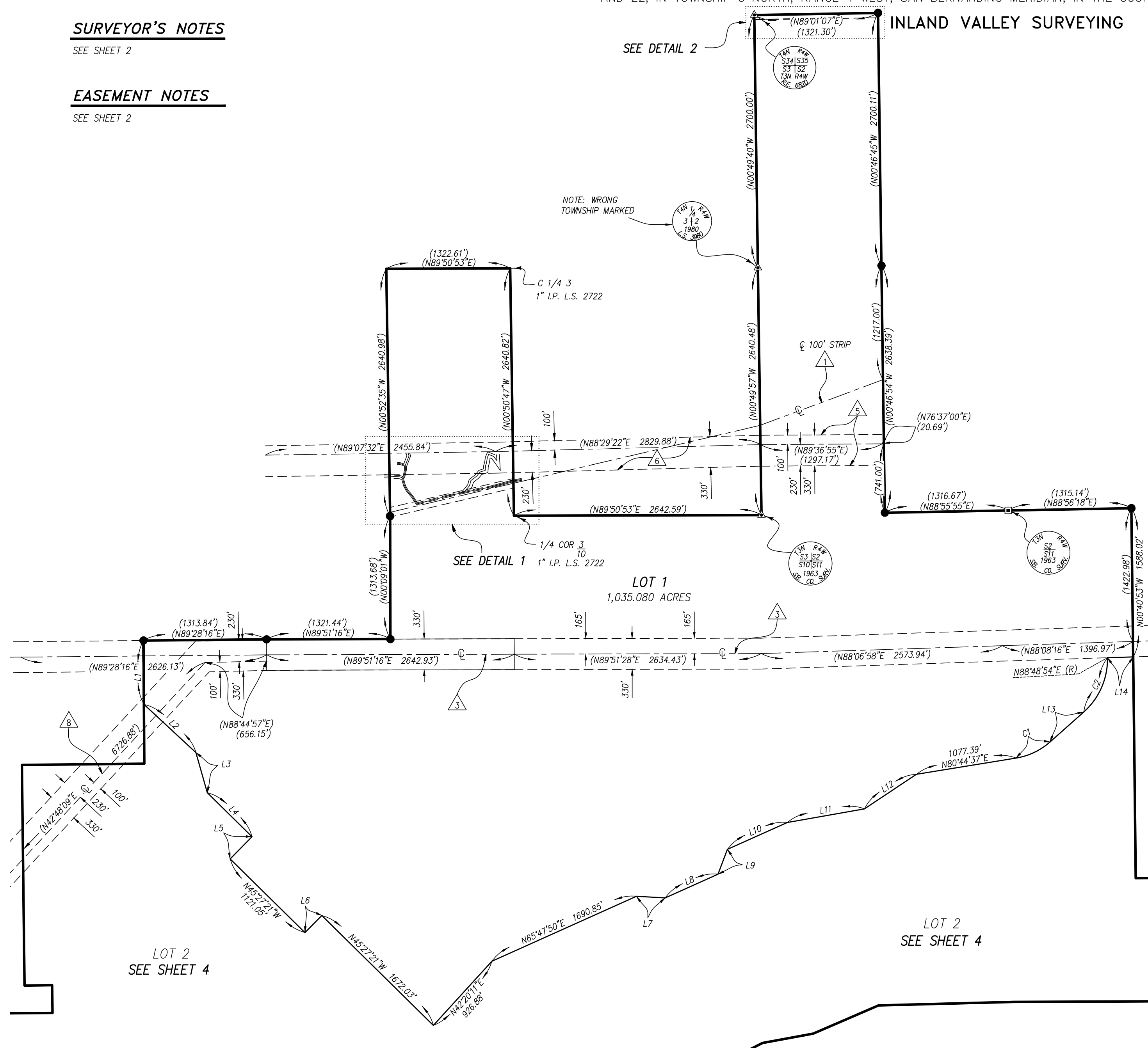
SEE SHEET 2

INLAND VALLEY SURVEYING NOVEMBER, 2019



LINE TABLE		
NO.	BEARING	LENGTH
L1	N00°24'50"W	682.47
L2	N47°10'56"W	756.41
L3	N15°45'48"W	444.85
L4	N45°27'21"W	670.36
L5	N44°32'39"E	333.14
L6	N44°32'39"E	255.00
L7	N86°52'14"W	307.09
L8	N65°47'50"E	618.48
L9	N20°47'50"E	282.84
L10	N65°47'50"E	700.93
L11	N79°58'53"E	836.09
L12	N56°20'56"E	666.31
L13	N48°25'26"E	480.66
L14	N88°08'16"E	274.51

ARC TABLE			
NO.	DELTA	RADIUS	LENGTH
C1	Δ=32°19'11"	720.00'	406.14'
C2	Δ=49°36'32"	755.00'	653.71'



NOVEMBER, 2019



IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA

TRACT MAP NO. 18985-1

SHEET 5 OF 5 SHEETS

BEING A SUBDIVISION OF PARCELS 3, 4, 6 AND 7 OF PARCEL MAP NO. 13471 AS PER MAP FILED IN BOOK 172, PAGES 86 THROUGH 101, INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AND LYING WITHIN SECTIONS 2, 3, 9 THROUGH 12, 14 THROUGH 16, 21 AND 22, IN TOWNSHIP 3 NORTH, RANGE 4 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA.

INLAND VALLEY SURVEYING

NOVEMBER, 2019

SURVEYOR'S NOTES

SEE SHEET 2

EASEMENT NOTES

SEE SHEET 2



LINE TABLE		
NO.	BEARING	LENGTH
L1	N55°52'38"E	98.79'
L2	N34°24'49"E	87.17'
L3	N20°24'11"E	207.27'
L4	N02°08'52"W	200.78'
L5	N19°58'48"W	221.55'
L6	N14°02'04"W	93.66'
L7	N01°51'54"E	117.41'
L8	N32°39'18"E	112.39'
L9	N54°29'37"E	73.47'
L10	N21°06'53"W	35.00'
L11	N16°43'19"W	179.45'
L12	N03°40'33"E	188.27'
L13	N14°59'08"W	212.72'

ARC TABLE			
NO.	DELTA	RADIUS	LENGTH
C1	Δ=25°59'03"	335.00'	151.93'
C2	Δ=21°07'48"	300.00'	110.64'
C3	Δ=16°44'14"	500.00'	146.06'

LOT 2
SEE SHEET 4

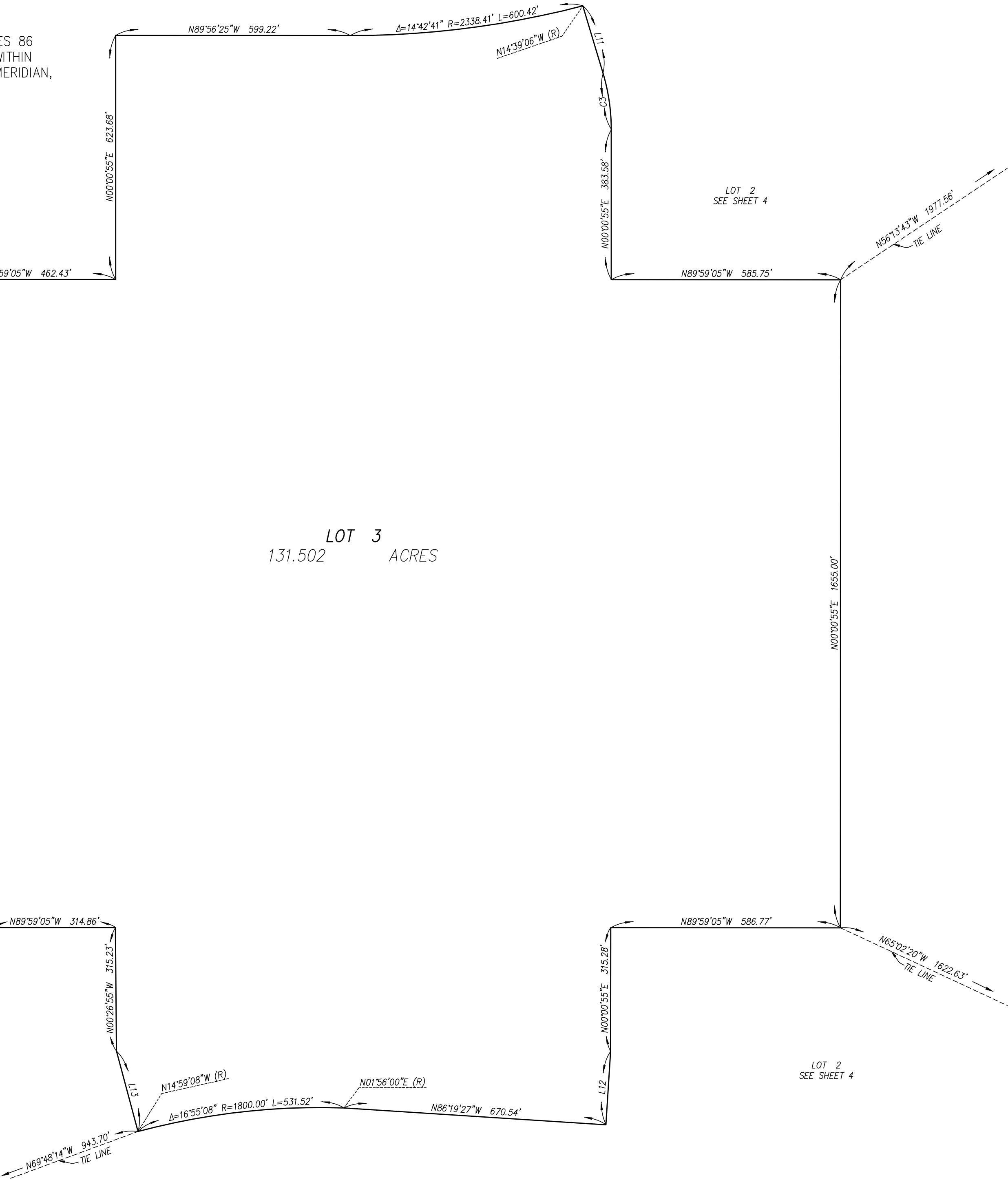
LOT 2
SEE SHEET 4

LOT 2
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SEE SHEET 4

LOT 2
SEE SHEET 4

LOT 3
131.502 ACRES



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City of Hesperia

STAFF REPORT



DATE: February 18, 2020

TO: Chair and Board Members, Hesperia Water District

FROM: Nils Bentsen, City Manager

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

SUBJECT: Award a Professional Services Agreement for Consulting Services Related to the America's Water Infrastructure Act of 2018 (AWIA), C.O. No. 4070-1911

RECOMMENDED ACTION

It is recommended that the Board of Directors of the Hesperia Water District award a Professional Services Agreement (PSA) to Claris Strategy in the amount of \$188,768 plus a 10% contingency amount of \$18,877 for a total not-to-exceed amount of \$207,645 for professional consulting services related to the America's Water Infrastructure Act of 2018 (AWIA), C.O. No. 4070-1911 and authorize the City Manager to execute said agreement.

BACKGROUND

In October 2018, the United States Congress and President passed and signed into law the America's Water Infrastructure Act of 2018 (AWIA) as Public Law No. 115-270, which amends Section 1433 of the Safe Water Drinking Act. The AWIA is an unfunded mandate from the federal government that contains requirements for public water systems that serve a population greater than 3,300 persons to conduct an assessment of the risks to, and reliance of, its water system and related infrastructure. The City's water system meets this population criterion.

The AWIA requires that a Risk and Resiliency Assessment (RRA) be completed and certified before December 31, 2020. The RRA will assess the resilience of pipes, source water, treatment, storage and distribution facilities as well as electronic, computer, and other automated systems that are used by the City's water system. The RRA will also review the monitoring practices of the system, the financial infrastructure, the use, storage and handling of various chemicals and the operation and maintenance of the water system. When the RRA is complete, the City is then required to prepare an updated Emergency Response Plan (ERP), which is to be completed and certified before June 30, 2021. The ERP will include strategies and resources required to improve the resilience of the water system, including physical security and cybersecurity. The ERP will also develop plans and procedures to follow in response to a malevolent act or a natural disaster.

ISSUES/ANALYSIS

The scope of work for the Hesperia Water Infrastructure Assessment consists of an assessment that will cover the risk, resilience, and response planning related to the following:

- Physical assets of water production and distribution facilities (i.e., wells, pump stations, water tanks, distribution pipes, etc.)
- Supervisory Control and Data Acquisition (SCADA) network

- Water quality surveillance
- Supply chain
- Workplace security
- Financial systems
- Business network

The RRA and ERP will supplement and consolidate the Hesperia Water District's current emergency policies and procedures.

On November 21, 2019 staff released a Request for Proposal via the City's online bidding site, which made contact with more than 10,000 consulting firms with qualifications to provide professional consulting services. Nine of the firms submitted proposals on December 18, 2019. Proposals were reviewed and ranked by a selection panel made up of eight team members. The nine firms were ranked as follows by the selection panel:

1.	Claris Strategy	Arcadia, CA
2.	Willdan & West Yost Assoc.	Temecula, CA
3.	Gannett Fleming	San Marcos, CA
4.	AARC Consultants, LLC	Los Angeles, CA
5.	Cordoba Corp.	Chatsworth, CA
6.	John Robinson Consulting, Inc.	Pasadena, CA
7.	Prestige Analytics	San Diego, CA
8.	Tierra Consulting Group	Fort Lauderdale, FL
9.	TRC	Irvine, CA

After careful review of the proposals submitted by each firm, Claris Strategy was selected by the panel as the most qualified firm meeting the City's needs on this project. Once the selection panel completed their review and ranking of the consultants, the Fee Proposals were opened and reviewed. Initially, Claris Strategy's proposed fee was considered too high by City staff and through negotiations with the Consultant, staff was able to reduce their fee to within 10% of the average fee submitted by all consultants. Staff believes the revised fee is fair and reasonable and within the market rate for providing such services.

Consequently, staff is recommending award of a Professional Services Agreement (PSA) to Claris Strategy. The revised Fee Proposal from Claris Strategy to perform this work is \$188,768. Staff is also recommending an additional 10% contingency amount of \$18,877 be included in the PSA in order to address any unanticipated requirements that may arise, for a total contract amount of \$207,645.

Claris Strategy is a full-service professional consulting firm located in Irvine, California. Founded in 2012 by William Lim the name Claris comes from a play on the word "clarity", the philosophical foundation on which the firm was founded. The firm has considerable experience in crisis management planning, emergency preparedness, process improvement, facility assessment, technology assessment, and disaster recovery. Claris Strategy is a top-notch professional consulting firm with deep and broad experience in multiple industries and environments. They received high praise from former clients as a part of the reference check done by staff. Claris Strategy is more than capable of performing the work.

FISCAL IMPACT

On June 4, 2019, the City Council adopted the FY 2019-20 Operating Budget, but did not include the AWIA consulting services. City staff became aware of this unfunded federal mandate after the FY 2019-20 Budget was adopted. The District is required to perform the RRA and ERP in order to comply with federal law.

Unappropriated funds for this assessment are available in Fund 700 – Water Operating; therefore, a budget amendment will be presented to the Board of Directors during the mid-year budget review to include funding of \$210,000.

The costs to provide these services are as follows:

Consulting Services	\$188,768
Contingency	18,877
Project Administrative Costs ¹	2,355
Total =	<u>\$210,000</u>

Note 1: Project administrative costs include items such as copying services, legal advertisements, postage, etc.

Sufficient unappropriated funds are available in Fund 700 to amend the budget and complete the consulting services proposed.

ALTERNATIVE(S)

1. Provide alternative direction to staff

ATTACHMENT(S)

1. AWIA Fact Sheet

RISK AND RESILIENCE ASSESSMENTS AND EMERGENCY RESPONSE PLANS:

NEW REQUIREMENTS FOR DRINKING WATER UTILITIES

Section 2013 of America's Water Infrastructure Act of 2018 (AWIA) requires community water systems¹ that serve more than 3,300 people to complete a risk and resilience assessment and develop an emergency response plan.

RISK AND RESILIENCE ASSESSMENT

Your utility must conduct a risk and resilience assessment and submit certification of its completion to the U.S. EPA by the following dates:

Important
Dates

- March 31, 2020 if serving $\geq 100,000$ people.
- December 31, 2020 if serving 50,000 to 99,999 people.
- June 30, 2021 if serving 3,301 to 49,999 people.

EMERGENCY RESPONSE PLAN

Your utility must develop or update an emergency response plan and certify completion to the U.S. EPA **no later than six months** after risk and resilience assessment certification. Each utility deadline is unique; however, the dates below are the due dates for utilities who submit a risk and resilience assessment certification by the final due date according to the population served.

- September 30, 2020 if serving $\geq 100,000$ people.
- June 30, 2021 if serving 50,000 to 99,999 people.
- December 30, 2021 if serving 3,301 to 49,999 people.

Recertification

Every five years, your utility must review the risk and resilience assessment and submit a recertification to the U.S. EPA that the assessment has been reviewed and, if necessary, revised.

Within six months of submitting the recertification for the risk and resilience assessment, your utility must certify it has reviewed and, if necessary, revised, its emergency response plan.

Visit the U.S. EPA website to find more information on guidance for developing a risk and resilience assessment at <https://www.epa.gov/waterriskassessment/conduct-drinking-water-or-wastewater-utility-risk-assessment>.

Visit the U.S. EPA website for guidance on developing an Emergency Response Plan at <https://www.epa.gov/waterutilityresponse/develop-or-update-drinking-water-or-wastewater-utility-emergency-response-plan>.

TOOLS OR METHODS

- AWIA does not require the use of any standards, methods or tools for the risk and resilience assessment or emergency response plan. Your utility is responsible for ensuring that the risk and resilience assessment and emergency response plan address all the criteria in AWIA Section 2013(a) and (b), respectively. The U.S. EPA recommends the use of standards, including AWWA J100-10 Risk and Resilience Management of Water and Wastewater Systems, along with tools from the U.S. EPA and other organizations, to facilitate sound risk and resilience assessments and emergency response plans.

¹ Section 2013 of AWIA applies to community water systems. Community water systems are drinking water utilities that consistently serve at least 25 people or 15 service connections year-round.

FREQUENTLY ASKED QUESTIONS

I need more information about risk and resilience assessments and emergency response plans:

Risk and resilience assessments evaluate the vulnerabilities, threats and consequences from potential hazards.

What does a risk and resilience assessment include?

- Natural hazards and malevolent acts (i.e., all hazards).
- Resilience of water facility infrastructure (including pipes, physical barriers, water sources and collection, treatment, storage and distribution, and electronic, computer and other automated systems).
- Monitoring practices.
- Financial systems (e.g., billing systems).
- Chemical storage and handling.
- Operation and maintenance.

Who should I work with when creating my emergency response plan?

- Utilities must coordinate the risk and resilience assessments, as well as the emergency response plans with local emergency planning committees.

For more information, see www.congress.gov/bill/115th-congress/senate-bill.

I need more information on the certification process:

What do I need to submit to the U.S. EPA?

- Each utility must submit a certification of your risk and resilience assessment and emergency response plan. Each submission must include: utility name, date and a statement that the utility has completed, reviewed or revised the assessment. The U.S. EPA has developed an optional certification template that can be used for email or mail certification. The optional certification form will be available in August 2019.

Who can certify my risk and resilience assessment and emergency response plan?

- Risk and resilience assessments and emergency response plans can be self-certified by the utility.

How do I submit my certification?

- Three options will be provided for submittal: regular mail, email and a user-friendly secure online portal. The online submission portal will provide drinking water systems with a receipt of submittal. The U.S. EPA recommends using this method. The certification system will be available in August 2019.

What does an emergency response plan include?

- Strategies and resources to improve resilience, including physical security and cybersecurity.
- Plans and procedures for responding to a natural hazard or malevolent act that threatens safe drinking water.
- Actions and equipment to lessen the impact of a malevolent act or natural hazard, including alternative water sources, relocating intakes and flood protection barriers.
- Strategies to detect malevolent acts or natural hazards that threaten the system.

When can I submit the initial certification?

- Utilities should wait to submit the initial certification to the U.S. EPA until the U.S. EPA publishes *Baseline Information on Malevolent Acts Relevant to Community Water Systems*, which is required under AWIA by August 2019.

Do I need to submit my certification to my state or local government?

- No. Section 2013 of AWIA does not require utilities to submit the certification to state or local governments.

How long do I need to keep a copy of my risk and resilience assessment and emergency response plan?

- Utilities need to keep a copy of both documents for five years after certification.

What if I do not have a copy of my most recent risk and resilience assessment?

- The U.S. EPA intends to destroy vulnerability assessments (VAs) submitted in response to the Bioterrorism Act of 2002, but if utilities would like to have their VA and certification documents mailed to them, contact WSD-Outreach@epa.gov, and on utility letterhead, include the utility name, PWSID, address and point of contact as an attachment to the email.

RESOURCES & TOOLS

Conducting a Risk and Resilience Assessment

- The U.S. EPA's Risk and Resilience Baseline Threat Document (available August 2019).
- The U.S. EPA's [Vulnerability Self-Assessment](#).

The U.S. EPA Website

- <https://www.epa.gov/waterresilience/americas-water-infrastructure-act-2018-risk-assessments-and-emergency-response-plans>.

Developing an Emergency Response Plan

- [Emergency Response Plan Guidance](#).
- The U.S. EPA's [Emergency Response Webpage](#).
- [Local Emergency Planning Committees](#).

Still have questions about the new AWIA requirements?

Contact the U.S. Environmental Protection Agency (U.S. EPA) at dwresilience@epa.gov.

Office of Water (4608T)
EPA-817-F-19-004
May 2019

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City of Hesperia

STAFF REPORT



DATE: February 18, 2020

TO: Chair and Board Members, Hesperia Water District

FROM: Nils Bentsen, General Manager

BY: Rod Yahnke, Economic Development Manager
Michael Thornton, City Engineer

SUBJECT: Ranchero Sewer Lift Station – HWD Resolution No. 2020-07 - A Resolution of the Hesperian Water District, Declaring that Public Interest and Necessity Require Acquisition of Fee Simple Interest in a Portion of the Property Known as Assessor's Parcel No. 3039-431-01

RECOMMENDED ACTION

It is recommended that the Hesperia Water District conduct a public hearing and upon accepting public testimony, adopt a Resolution of Necessity, HWD Resolution No. 2020-07 entitled:

A RESOLUTION OF THE HESPERIA WATER DISTRICT OF THE CITY OF HESPERIA, CALIFORNIA, DECLARING THAT PUBLIC INTEREST AND NECESSITY REQUIRE ACQUISITION OF FEE SIMPLE INTEREST IN A PORTION OF THE PROPERTY KNOWN AS ASSESSOR'S PARCEL NO. 3039-431-01

BACKGROUND

The Hesperia Water District (the "District") is in the process of constructing a sewer line from the existing sewer system located near the intersection of Caliente Road and Mesquite Street to the existing sewer systems located in both Caliente Road and Mariposa Road north of Ranchero Road in order to foster and facilitate development in the vicinity of the Ranchero Road interchange on Interstate 15 (the "Project"). Although the reconstruction of the interchange was completed five years ago, the cost of construction of a sewer line serving the area has effectively deterred development. The District has been able to acquire all property interests required for the construction of the Project except for the site of a needed lift station on Assessor's Parcel No. 3039-431-01. The property in question is part of a 41.5-acre vacant parcel (the "Larger Parcel") which has multiple owners and is subject to a judgment lien. The divided ownership of the property coupled with the relatively low fair market value of the part to be taken (the "Subject Property") is likely the reason for the lack of response from the property owners and the judgment lien holder to the District's offer to purchase the subject property. Therefore, the exercise of eminent domain is necessary in order for the Project to be completed.

The legal description and a map of the Subject Property, comprising 17,519 SF or approximately 0.40 acres, are attached to the Resolution of Necessity as Exhibits A and B.

The District retained the services of an independent real estate appraiser, who formed an opinion regarding the fair market value of the Subject Property. Attachment 2 hereto is a summary of the basis for the appraisal of the Subject Property. Based on the appraised fair market value, the District made a written offer to purchase the Subject Property to the owners of the Larger Parcel and the holder of the judgment lien pursuant to *Government Code §7267.2* in

January 2020. None of the property owners, nor the holder of the judgment lien, responded to the offer letter.

At this time, District staff is recommending the use of eminent domain to acquire the Subject Property. Prior to commencing the eminent domain process, the District is required to formally adopt a Resolution of Necessity identifying the project for which the Subject Property is being acquired and the reasons the Subject Property is necessary for the project. The hearing on this matter is scheduled for February 18, 2020.

While staff is recommending commencing the eminent domain process to acquire the Subject Property for the Project, if contact can be made with the property owners and/or the judgment lien holder, negotiations will be undertaken. Ultimately, if negotiations do not occur or are unsuccessful, acquisition of the Subject Property through eminent domain will require the District to pay just compensation for the Subject Property, as determined by the court.

RESOLUTION OF NECESSITY

A hearing must be conducted to determine whether the District should proceed with an eminent domain action to acquire the Subject Property and to establish if the following four basic criteria are met:

1. The public interest and necessity require the Project.
2. The Project is planned and located in the manner that will be most compatible with the greatest public good and the least private injury.
3. The Subject Property sought to be acquired is necessary for the Project.
4. An offer meeting the requirements of Section 7267.2 of the *Government Code* has been made to the owners of record.

Under the Eminent Domain Law, this hearing is not referred to as a “public hearing” and no published notice is required. Other than compliance with the Brown Act, the only notice required is the notice by mail to the owners of record, sent at least 15 days prior to the District’s consideration of the resolution. That notice was sent on January 30, 2020.

A resolution of necessity must be approved by two-thirds of the membership of the District. Therefore, four “yes” votes are required to adopt the resolution.

ISSUES/ANALYSIS

As stated above, the Subject Property to be acquired for the Project consists of the fee simple interest in a portion of the Larger Parcel located within the City of Hesperia, County of San Bernardino, State of California, designated as Assessor's Parcel Nos. 3039-431-01 and more specifically described in Exhibit “A” and depicted in Exhibit “B” of the Resolution of Necessity attached hereto as Attachment 4 and Attachment 5.

The public interest, convenience, and necessity require the Project. The Project consists of the construction of a sewer line along both Caliente Road and Mariposa Road. The Mariposa Road sewer will extend under Interstate 15 and connect with the Caliente Road system. Thereafter, flow will proceed north along Caliente Road to the proposed lift station. It cannot continue north underground due to the Union Pacific Railroad (UPRR) crossing. The District has successfully obtained permission from UPRR to place a force main on the bridge over the tracks. To convey flow over the tracks, a lift station is required. After crossing over the UPRR crossing, flow will continue north along Caliente Road to the existing sewer system located near the intersection of

Caliente Road and Mesquite Street. The lift station is located as close to the UPRR right-of-way as possible to ensure construction will not impact rail operations. With project completion, sewer service will be available to the Ranchero Road interchange commercial area for development. An exhibit showing the project limits and service area is attached as Attachment 3.

The Ranchero Road interchange will be a magnet for freeway commercial development in light of the increasing traffic on the freeway together with Ranchero Road developments and improvements. However, any such development would have to be connected to sanitary sewer service and the existing system is dry and cannot provide service. Although three projects have been completed in the service area using septic systems – Starbucks, 76 Gas and Chevron gas – more extensive development requires sewer service. The cost of the sewer system has deterred development of the remaining properties located at or near the interchange. Upon completion of the sewer system, the existing developments currently using septic systems will be connected to the sewer system and the septic systems will be abandoned. The District has acquired most of the property needed for the sewer project, but has been unable to engage the property owners and the judgment lien holder in negotiations regarding the lift station site. As discussed above, the lift station is an essential part of the project.

In addition, the Project is planned and located in a manner that will be the most compatible with the greatest public good and the least private injury. The vast majority of the project is located within public right-of-way with the only exception being the lift station site. That site is only 0.40 acres in size. The lift station site was selected to maximize area service; service laterals can only connect to gravity sewer portions of the system, they cannot connect to force mains. Project design includes gravity sewers to the maximum extent possible.

Furthermore, as discussed above, the taking of the Subject Property as described is necessary for the Project because the Project cannot provide service without the lift station that will be located on the Subject Property.

The acquisition of the Subject Property is authorized by Section 19 of Article 1 of the California Constitution, Section 1230.010 *et seq.* of the California Code of Civil Procedure, and Sections 37350, 37350.5, and 40404 of the California Government Code.

Moreover, the offer required by Government Code Section 7267.2 has been made to the owners of record of the Larger Parcel, by way of letters dated and mailed in January 2020. Two of the property owners signed certified mail receipts indicating they received the offer. However, none of the persons to whom the offer was addressed have responded to the offer itself.

The CEQA Notice of Exemption was filed with the County on February 5, 2020. All requirements and obligations imposed by the California Environmental Quality Act have been met for the Project.

The Project is consistent with the general plan and all prerequisites to adopting a Resolution of Necessity, and for commencing an eminent domain action to acquire the Property for the Project have been met.

FISCAL IMPACT

Costs to acquire the Subject Property are valued at \$19,300 by Riggs and Riggs, Inc. There is sufficient funding included in the fiscal year 2019-20 Capital Improvement Program Budget in C.O. 9021.

ALTERNATIVES

Provide alternative direction to staff.

ATTACHMENTS

1. HWD Resolution No. 2020-07
2. Summary of the basis for the appraisal
3. I-15 Sewer Improvement Project
4. Exhibit A – Legal Description of Subject Property
5. Exhibit B – Plat of Subject Property
6. Exhibit C – Notice of Intent to Adopt Resolution of Necessity

HWD RESOLUTION NO. 2020-07

A RESOLUTION OF THE HESPERIA WATER DISTRICT OF THE CITY OF HESPERIA, CALIFORNIA, DECLARING THAT PUBLIC INTEREST AND NECESSITY REQUIRE ACQUISITION OF FEE SIMPLE INTEREST IN A PORTION OF THE PROPERTY KNOWN AS ASSESSOR'S PARCEL NO. 3039-431-01

WHEREAS, for the public purposes set forth herein, the Hesperia Water District (District) is authorized to acquire property through the exercise of eminent domain pursuant to Section 19 of Article 1 of the California Constitution, Section 1230.010 *et seq.* of the California *Code of Civil Procedure*, and Sections 37350, 37350.5 and 40404 of the California *Government Code*; and

WHEREAS, "Project" for the purposes of this acquisition consists of the construction of a sewer line from the existing sewer system located near the intersection of Caliente Road and Mesquite Street to the existing sewer systems located in both Caliente Road and Mariposa Road north of Ranchero Road (the "Project"); and

WHEREAS, in order to carry out and make effective the principal purpose of the Project, it is necessary for the District to acquire the fee simple interest in a portion of certain privately-owned real property (vacant land) located at the Northwest Corner of Caliente Road and El Centro Road in the City of Hesperia, County of San Bernardino, California with Assessor's Parcel No. 3039-431-01 (the "Subject Property"), as more particularly described and depicted in Exhibits "A" and "B" which are incorporated by this reference; and

WHEREAS, on or about January 13, 2020, the District made a written offer to the record owners to acquire the Subject Property at an amount that was not less than the appraised fair market value, in compliance with *Government Code* Section 7267.2(a), and the owners of the Property have not responded to said offer as of the date of this Resolution; and

WHEREAS, on January 30, 2020, a Notice of Intent to Adopt a Resolution of Necessity ("Notice of Intent," a copy of which is attached hereto as Exhibit "C" and incorporated by this reference) was mailed to all persons whose names appear on the last equalized County Assessment Roll as having an ownership interest in the Property, and to the address appearing on said Roll and to other addresses, which Notice of Hearing advised said persons of their right to be heard on the matters referred to therein on the date and at the time and place stated therein; and

WHEREAS, the hearing set out in said Notice of Intent was held on February 18, 2020, at the time and place stated therein and all interested parties were given an opportunity to be heard on the following matters:

- (a) Whether the public interest and necessity require the Project;
- (b) Whether the Project is planned or located in a manner which is most compatible with the greatest public good and the least private injury;
- (c) Whether the Subject Property proposed to be acquired is necessary for the Project;
- (d) Whether the offer meeting the requirements of *Government Code* Section 7267.2 has been given; and

- (e) Whether the offer required by Section 7267.2 of the Government Code was made in the form and substance required by law.

WHEREAS, the staff report to the Board of the District regarding this matter is incorporated herein by this reference in its entirety; and, as a result of such hearing, the Board has determined that public health, safety, and welfare require the District to acquire the Subject Property for the stated purposes; and

WHEREAS, the Board, as a result of such hearing, has determined that the public health, safety, and welfare require the District to acquire the Subject Property for the stated purposes.

NOW THEREFORE, BE IT RESOLVED, THAT THE BOARD HEREBY DOES FIND, DETERMINE, AND DECLARE BASED UPON EVIDENCE PRESENTED TO IT AS FOLLOWS:

Section 1. The facts and conclusions referenced in this Resolution, and the findings made by the Board herein, are supported by substantial evidence contained in the record of this proceeding, including, but not limited to, the staff report. The staff report, in its entirety, is supportive of all of the findings made in this Resolution.

Section 2. The Subject Property consists of the fee simple interest in the real property located within the City of Hesperia, County of San Bernardino, State of California, Assessor's Parcel No. 3039-431-01, and more specifically described above and in Exhibits "A" and "B".

Section 3. The Board finds as follows:

- (a) The public interest, convenience, and necessity require the Project. The Project consists of the construction of a sewer line along both Caliente Road and Mariposa Road. The Mariposa Road sewer will extend under Interstate 15 and connect with the Caliente Road system. Thereafter, flow will proceed north along Caliente Road to the proposed lift station. It cannot continue north underground due to the Union Pacific Railroad (UPRR) crossing. The District has successfully obtained permission from UPRR to place a force main on the bridge over the tracks. To convey flow over the tracks, a lift station is required. After crossing over the UPRR crossing, flow will continue north along Caliente Road to the existing sewer system located near the intersection of Caliente Road and Mesquite Street. The lift station is located as close to the UPRR right-of-way as possible to ensure construction will not impact rail operations. With project completion, sewer service will be available to the Ranchero Road interchange commercial area for development. Existing development in the area that is currently operating on septic systems will be connected to the sewer.
- (b) The Project is planned and located in a manner which is most compatible with the greatest public good and the least private injury. The sewer line to be constructed cannot continue north underground along Caliente Road due to the Union Pacific Railroad

(UPRR) crossing. The District has successfully obtained permission from UPRR to place a force main on the bridge over the tracks. To convey flow over the tracks, a lift station is required. After crossing over the UPRR crossing, flow will continue north along Caliente Road to the existing sewer system located near the intersection of Caliente Road and Mesquite Street. The lift station is located as close to the UPRR right-of-way as possible to ensure construction will not impact rail operations. With project completion, sewer service will be available to the Ranchero Road interchange commercial area for development. Existing development in the area that is currently operating on septic systems will be connected to the sewer. The larger parcel of which the Subject Property is a part is vacant land. The vast majority of the Project is located within public right-of-way with the only exception being the lift station site. That site is only 0.40 acres in size. The lift station site was selected to maximize area service; service laterals can only connect to gravity sewer portions of the system, they cannot connect to force mains. Project design includes gravity sewers to the maximum extent possible. The Project is consistent with the City's General Plan as it will facilitate commercial development in an area planned and zoned for that use.

- (c) The taking of the Subject Property as described above is necessary for the Project. The sewer line to be constructed cannot continue north underground along Caliente Road due to the Union Pacific Railroad (UPRR) crossing. The District has successfully obtained permission from UPRR to place a force main on the bridge over the tracks. To convey flow over the tracks, a lift station is required. After crossing over the UPRR crossing, flow will continue north along Caliente Road to the existing sewer system located near the intersection of Caliente Road and Mesquite Street. The lift station is located as close to the UPRR right-of-way as possible to ensure construction will not impact rail operations. The lift station site was selected to maximize area service; service laterals can only connect to gravity sewer portions of the system, they cannot connect to force mains. Project design includes gravity sewers to the maximum extent possible.
- (d) The requirement of Government Code Section 7267.2 that a written offer to purchase the property be made has been met and the offer was made in the form and manner required by law. A written offer to purchase the Subject Property, based on an appraisal of the fair market value of the Subject Property, was made to the owners of the Subject Property on or about January 13, 2020.

Section 4.

The acquisition of the Interests is authorized by Section 19 of Article 1 of the California Constitution, Section 1230.010 *et seq.* of the California *Code of Civil Procedure*, and Sections 37350, 37350.5, 37353, and 40404 of the California *Government Code*.

- Section 5. As to any portion of the Subject Property that is currently appropriated for a public use, the use for which the Subject Property is sought to be acquired as a more necessary public use and the City is empowered to take such Subject Property for a more necessary public use pursuant to Code of Civil Procedure Section 1240.610.
- Section 6. The CEQA Notice of Exemption was filed with the County on February 5, 2020. All obligations imposed by the California Environmental Quality Act have been complied with for the Project.
- Section 7. The Board hereby declares its intent to acquire the Subject Property in the City's name in accordance with the provisions of the law of the State of California and finds that all conditions, statutory requirements and prerequisites to the exercise of the power of eminent domain to acquire the Interests described herein have been complied with by the District.
- Section 8. The law firm of Aleshire & Wynder, LLP, is hereby authorized and directed to prepare, institute, and prosecute in the name of the District such proceedings, in the Court having proper jurisdiction thereof, as may be necessary for the acquisition of the Interests in portions of the Property in accordance with the provisions of the California Eminent Domain Law and the Constitution of California. Said counsel are also authorized and directed to obtain any necessary order of the Court granting the District the right of immediate possession and occupancy of the Property.

ADOPTED AND APPROVED at a regular meeting of the Water District of the City of Hesperia this 18th day of February, 2020 by the following vote:

Larry Bird, Chair

ATTEST:

Melinda Sayre, City Clerk

**APPRAISAL SUMMARY STATEMENT
PARTIAL ACQUISITION**

Attachment 2

Basis of Appraisal: The fair market value for the property to be acquired is based upon an appraisal prepared in accordance with accepted appraisal principles and procedures. Recent sales comparables were considered, as appropriate. Full consideration is given to zoning and development potential.

OWNER:

Tien Lin and Liou Aer-Land Lin, husband and wife as joint tenants, as to an undivided 25% interest; Catherine H. Young, Trustee of Catherine Young and Heuilog Hwang Trust of 2011, as to an undivided 20% interest; Francis C. Chuang, an unmarried man, as to an undivided 45% interest; and Cheng-I Chen and Chi-Chu Chen, husband and wife as joint tenants, as to an undivided 10% interest, all as tenants in common

SUBJECT PROPERTY ADDRESS:

Northwest Corner of Caliente Road and
El Centro Road, Hesperia, CA 92345

ASSESSOR'S PARCEL NUMBER :

3039-431-01

PRESENT USE:

Vacant (Raw) Land

HIGHEST AND BEST USE (As Vacant):

Hold for Future Development

HIGHEST AND BEST USE (As Improved):

N/A

TOTAL PROPERTY AREA OF LARGER PARCEL:

3,807,144 Square Feet, or 87.40 Acres

**TOTAL PROPERTY AREA OF ASC-ZONED
PORTION OF THE SUBJECT LARGER PARCEL:**

1,807,192 Square Feet, or 41.49 Acres

BASIC PROPERTY DATA

INTEREST TO BE ACQUIRED:

Fee Simple

AREA TO BE ACQUIRED:

Fee - 17,519 SF

DATE OF VALUATION:

August 27, 2019

**FAIR MARKET VALUE OF ASC-ZONED PORTION OF
SUBJECT LARGER PARCEL:**

\$1,990,000

LARGER PARCEL APPLICABLE ZONING:

ASC/MSFC-SP, RER, & WPO, City of Hesperia

LARGER PARCEL APPLICABLE GENERAL PLAN:

ASC/MSFC-SP, RER, & WPO, City of Hesperia

**ASC-ZONED PORTION OF LARGER
PARCEL APPLICABLE ZONING:**

ASC/MSFC-SP, City of Hesperia

**ASC-ZONED PORTION OF LARGER
PARCEL APPLICABLE GENERAL PLAN:**

ASC/MSFC-SP, City of Hesperia

IMPROVEMENTS IN ACQUISITION AREA:

N/A

PHYSICAL LIMITATIONS:

N/A

PRINCIPAL TRANSACTIONS:

See Attached Summary Chart

REPLACEMENT COST ANALYSIS:

N/A

CAPITALIZATION ANALYSIS:

N/A

SALES COMPARISON APPROACH:

LAND:

1,807,192 SF x \$1.10/SF = \$1,987,911

Land Value Conclusion (Rounded):

\$1,990,000

FAIR MARKET VALUE OF REQUIRED PROPERTY

PERMANENT RIGHTS - PART ACQUIRED:

LAND: Fee 17,519 SF x \$1.10 x 100.00% = \$19,271

SITE IMPROVEMENTS: \$0

TOTAL PERMANENT RIGHTS PART ACQUIRED: \$19,271

SEVERANCE DAMAGES: \$0

BENEFITS: \$0

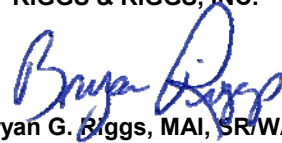
**NARRATIVE EXPLANATION SUPPORTING
COMPENSATION, INCLUDING OFFSETTING BENEFITS** N/A

TOTAL ESTIMATED JUST COMPENSATION FOR ACQUISITION: **\$19,300** (rounded)

APPRAISAL FIRM:

RIGGS & RIGGS, INC.

PREPARED BY (Signature):



NAME (Printed):

Bryan G. Riggs, MAI, SR/WA

DATE:

November 15, 2019

DEFINITION OF FAIR MARKET VALUE

(See Code of Civil Procedure 1263.320, a & b)

(a) The fair market value... is the highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being ready, willing, and able to buy under no particular necessity for doing so, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available.

(b) The fair market value of property taken for which there is no relevant market is its value on the date of valuation as determined by any method of valuation that is just and equitable.

LAND SALES SUMMARY				
Data No.	Location	Sale Date	Land Area (AC)	Sale Price
		Zoning	Orientation	Sale Price/SF
1	Southeast corner of Mariposa Road and Meadowlark Avenue (Hesperia)	Escrow	10.14± AC	\$875,000
		RC/MSFC-SP	Corner	\$1.98
2	North side of Stoddard Wells Road, west side of Mojave (15) Freeway (Apple Valley)	10/16/19	34.52± AC	\$1,800,000
		C-R	Interior	\$1.20
3	North side of El Mirage Road, 1 parcel east of State Highway 395 (Adelanto)	8/3/18	38.50± AC	\$920,000
		ADD	Interior	\$0.55
4	330± feet north of Victor Street, b/w Highway 395 and Pearmain Street (Adelanto)	8/3/18	27.87± AC	\$2,127,000
		C	Interior	\$1.75
5	0.25± mile west of State Highway 395, b/w Phelan Road and Yucca Terrace Drive (Hesperia)	5/2/18	78.48± AC	\$3,030,000
		CIBP/MSFC-SP	Interior	\$0.89
6	Southeasterly side of Outer Hwy 15 South, at the southeast corner with Stoddard Wells Road (Apple Valley)	12/8/17	31.55± AC	\$1,237,500
		C-R	Interior	\$0.90
7	Southerly corner of Mariposa Road and Blanchard Road (Hesperia)	11/8/17	10.87± AC	\$750,000
		OP/MSFC-SP	Corner	\$1.58
Subject	Northwest corner of Caliente Road and El Centro Road (Hesperia)	--	41.49± AC	--
		ASC/MSFC-SP	Corner	--



Attachment 3 I-15 Sewer Improvement Project

Sewer Improvements

L

Proposed Sewer Lift Station

Proposed Gravity Sewer

Force_Main

City Boundary

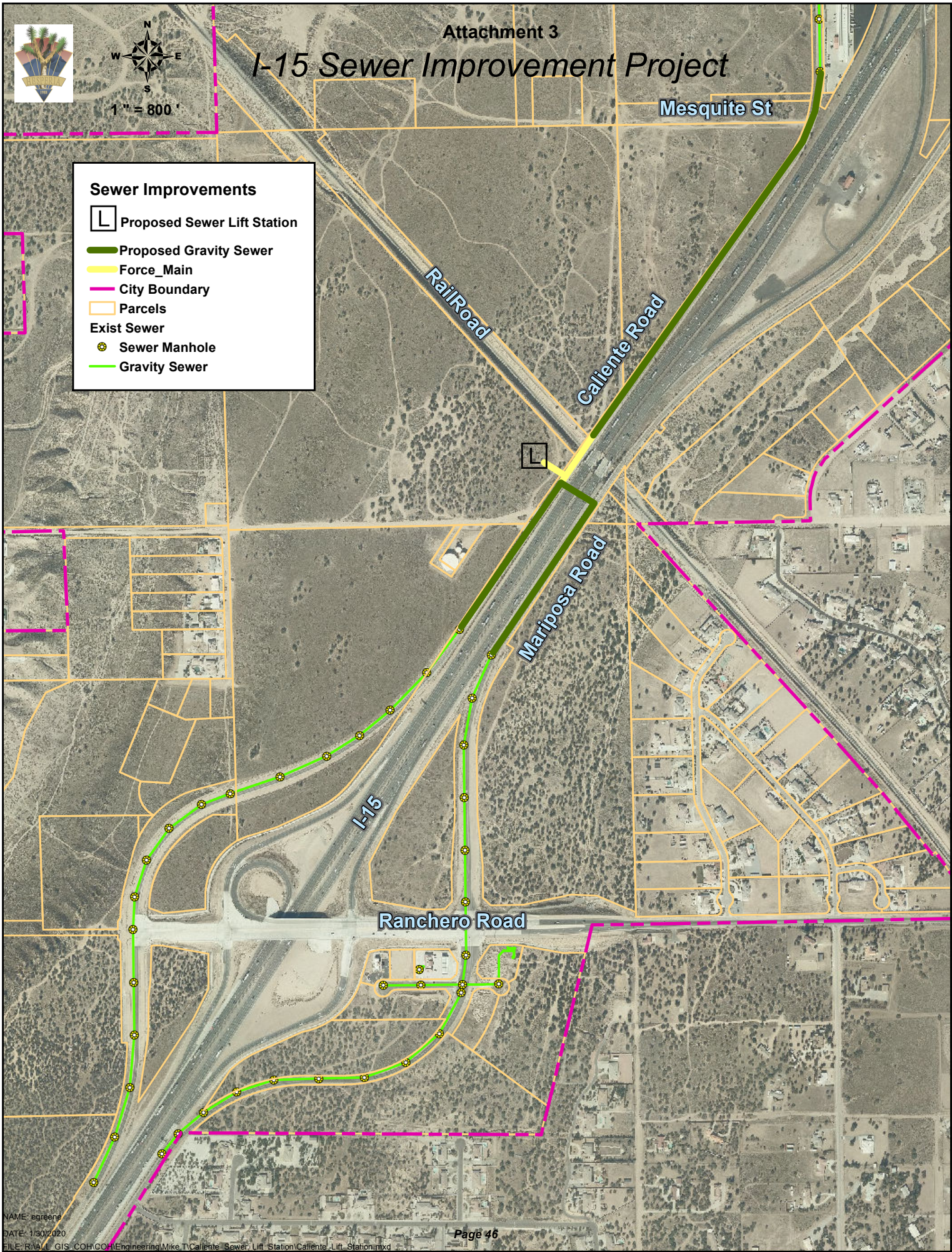
Parcels

Exist Sewer

●

Sewer Manhole

Gravity Sewer



Attachment 4

EXHIBIT "A"

That portion of the northwest quarter of Section 33, Township 4 North, Range 5 West, San Bernardino Meridian, in the in the City of Hesperia, County of San Bernardino, State of California, according to the official plat of said land approved by the Surveyor General, July 25, 1856, described as follows:

Beginning at the intersection of the northwesterly line of that land described in deed to the State of California by deed recorded April 9, 1963, in Book 5885, Pages 789, 790 and 791, of official records of said County and the southwesterly line of the land described in deed to the Southern Pacific Company by deed recorded November 22, 1957, in Book 4374, Pages 468 and 469, of official records of said County; thence North 42°31'24" West, 162.80 feet along the southwesterly line of said deed to the Southern Pacific Company; thence South 47°28'36" West, 105.00 feet; thence South 42°31'24" East, 186.47 feet to the northwesterly line of said deed to the State of California; thence North 34°46'23" East, 107.63 feet along said northwesterly line to the **Point of Beginning**.

Containing 0.42 Ac.

Affects: APN 3039-431-01

See Exhibit "B" for a plat depicting the above described property.

This real property has been described by me, or under my direction, in conformance with the Professional Land Surveyor's Act.

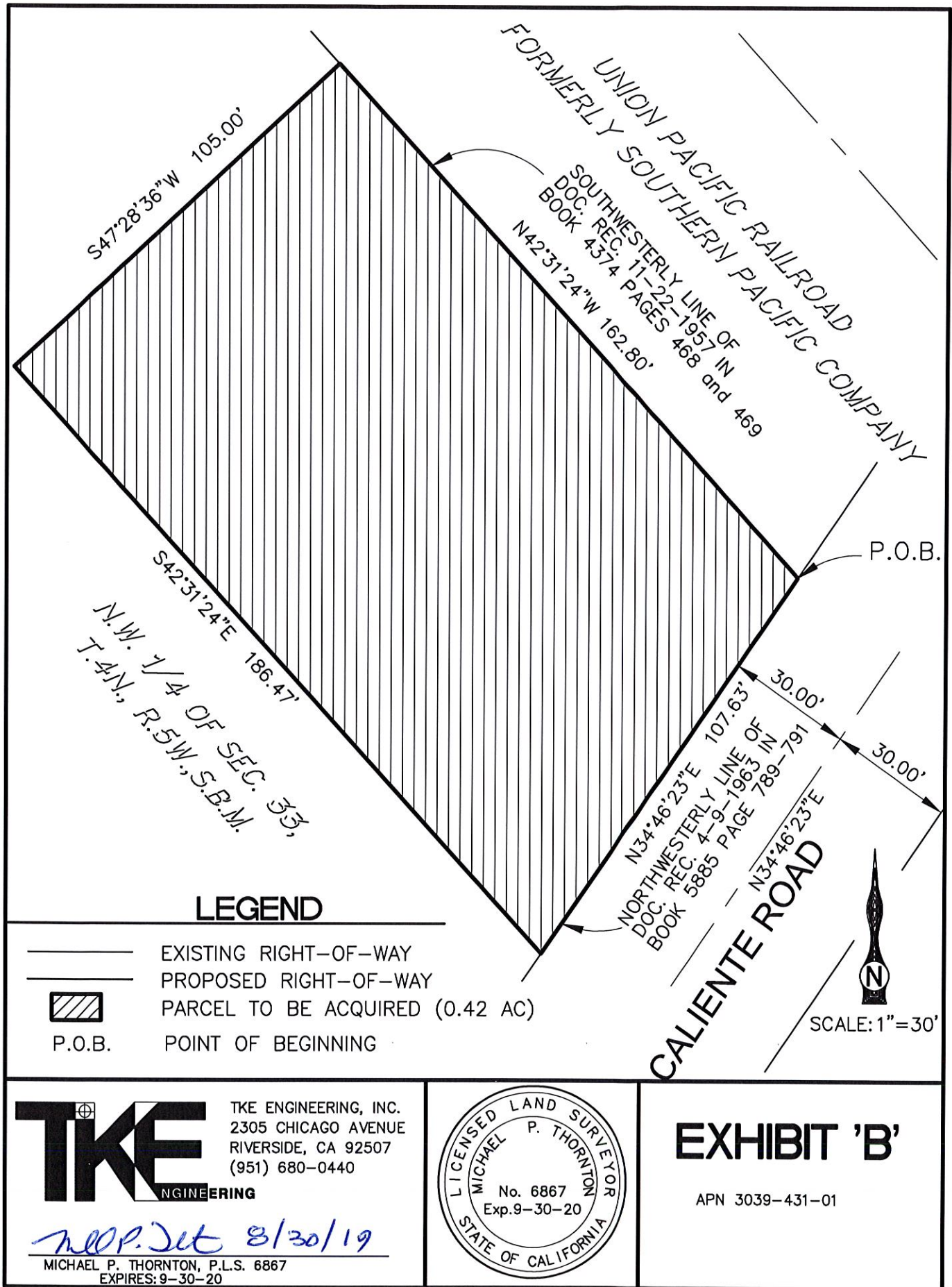
Michael P. Thornton

Michael P. Thornton, P.L.S. 6867, Exp. 9-30-20

8/30/19

Date





TKE ENGINEERING, INC.
2305 CHICAGO AVENUE
RIVERSIDE, CA 92507
(951) 680-0440

Michael P. Thornton 8/30/19

MICHAEL P. THORNTON, P.L.S. 6867
EXPIRES: 9-30-20



EXHIBIT 'B'

APN 3039-431-01



City of Hesperia

Gateway to the High Desert

January 30, 2020

Francis C. Chuang
Tien Lin
Liou Aer-Land Lin

Santa Ana, CA 92707

Francis C. Chuang
Tien Lin
Liou Aer-Land Lin

San Gabriel, CA 91775

Francis C. Chuang

Changhua 500 Taiwan

Catherine Young
Catherine H. Young, Trustee of the Catherine Young and
Heuilog Hwang Trust of 2011

Rowland Heights, CA 91748

Catherine Young
Catherine H. Young, Trustee of the Catherine Young and
Heuilog Hwang Trust of 2011

Santa Ana, CA 92701

Catherine Young
Catherine H. Young, Trustee of the Catherine Young and
Heuilog Hwang Trust of 2011

San Gabriel, CA 91775

Larry Bird, Mayor
Cameron Gregg, Mayor Pro Tem
Brigit Bennington, Council Member
Bill Holland, Council Member
Rebekah Swanson, Council Member

Nils Bentsen, City Manager

9700 Seventh Avenue
Hesperia, CA 92345
760-947-1000
TD 760-947-1119

www.cityofhesperia.us



City of Hesperia

Cheng-I Chen
Chi-Chu Chen
Chi-Chu Chen, as Trustee of the Cheng-I Chen and Chi-Chu Chen
Living Trust created under Declaration of Trust dated August 5, 1993

Tustin, CA 92782

Cheng-I Chen
Chi-Chu Chen
Chi-Chu Chen, as Trustee of the Cheng-I Chen and Chi-Chu Chen
Living Trust created under Declaration of Trust dated August 5, 1993

Santa Ana, CA 92707

Cheng-I Chen
Chi-Chu Chen
Chi-Chu Chen, as Trustee of the Cheng-I Chen and Chi-Chu Chen
Living Trust created under Declaration of Trust dated August 5, 1993

San Gabriel, CA 91775

Cheng-I Chen
Chi-Chu Chen
Chi-Chu Chen, as Trustee of the Cheng-I Chen and Chi-Chu Chen
Living Trust created under Declaration of Trust dated August 5, 1993
c/o Withers Bergman LLP

Los Angeles, CA 90067

Richard Chow
Allen M. Meacham, SR Personal Rep. of the Estate of Erma Ann Meacham

Hesperia, CA 92345

**Re: Notice of Intent to Adopt Resolution of Necessity –
Purchase of a portion of the real property located at the Northwest Corner of Caliente Road
and El Centro Road, Hesperia, CA 92345
San Bernardino County Assessor Parcel No. 3039-431-01**

To Whom It May Concern:

On January 13, 2020, the City of Hesperia (the "City") made an offer to purchase a portion of the property identified as Assessor's Parcel No. 3039-431-001 in the City of Hesperia, California, located at the Northwest Corner of Caliente Road and El Centro Road. The City reiterates its previous offer to purchase that portion of Assessor's Parcel No. 3039-431-001 for \$19, 300.00, subject to the conditions stated in the offer.



City of Hesperia

You are also hereby notified that the City intends to consider the adoption of a resolution of necessity authorizing acquisition of the property by eminent domain. The City's governing body will consider that resolution at a meeting to be held at the following time and place:

Date: February 18, 2020
Time: 6:30 p.m.
Location: City of Hesperia, Council Chambers, 9700 Seventh Avenue, Hesperia,
CA 92345

You have the right to appear at the meeting and be heard on the following issues:

1. Whether the public interest and necessity require the project;
2. Whether the project is planned and located in the manner that will be most compatible with the greatest public good and the least private injury;
3. Whether the property sought to be acquired is necessary for the project;
4. Whether the offer required by Section 7267.2 of the Government Code has been made to the owners(s) of record; and
5. Whether the offer required by Section 7267.2 of the Government Code was made in the form and substance required by law.

NOTICE: If you fail to file a written request to be heard at the hearing within 15 days after the date of this letter, then the City may decide not to hear or consider any evidence which you may have to present. Please also be advised that, if you do not appear and present information to the City at the hearing, then you may be precluded from later challenging the City's authority to acquire the property through its use of the power of eminent domain.

Neither the pendency of the City's consideration of the resolution of necessity, nor the initiation of formal eminent domain proceedings, in any way prevents further negotiations from occurring for the acquisition of the property, and the City will be most willing to continue such negotiations.

If you have any comments or questions, please do not hesitate to contact Rod Yahnke at ryahnke@cityofhesperia.us or (760) 947-1907.

Thank you for your cooperation in this matter.

Sincerely,

Rod Yahnke
Economic Development Manager
Real Estate Manager

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City of Hesperia

STAFF REPORT



DATE: February 18, 2020

TO: Mayor and Council Members
Chair and Board Members, 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
Keith Cheong, Financial Analyst

SUBJECT: Credit Card Service Fees and Convenience Fees

RECOMMENDED ACTION

It is recommended that the City Council, Hesperia Housing Authority, Community Development Commission, and Hesperia Water District Council/Board/Commissions approve Joint Resolution No. 2020-10, HHA 2020-02, CDC 2020-01, and HWD 2020-06 to charge service and convenience fees for the acceptance of credit and debit cards (credit cards).

BACKGROUND

The City, which includes the Water District, offers its citizens the option to remit payment in the form of cash, checks, cashier's checks, money orders, debit cards, and credit cards. The City has been paying the fees charged by the credit card networks, as well as those charged by the payment processors related to the acceptance of debit/credit cards. The individual credit card fees charged to the City varies based upon the number of credit card/debit card transactions, the dollar amount of the transaction, the actual card type used, and the associated benefits provided to the cardholder for the use of the credit/debit card. Table 1 shows the historical credit card related expenses paid by the City. It should be noted that as the City experiences economic recovery with development, the City's credit card expenses have increased accordingly.

Table 1	Credit Card Fees				
	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
City of Hesperia	\$ 13,631.95	\$ 20,171.32	\$ 57,976.79	\$ 83,904.35	\$ 63,886.46
Water District	45,735.80	49,035.17	52,901.68	64,403.19	68,205.01
TOTAL	\$ 59,367.75	\$ 69,206.49	\$ 110,878.47	\$ 148,307.54	\$ 132,091.47
Cumulative (%) Percentage Increase	N/A	17%	87%	150%	122%

The City's current credit card processing was setup while the City utilized Citizen's Business Bank, for its banking needs, which dated back to 1997. As approved by the City Council on June 18, 2019, the City awarded its banking service to US Bank. With US Bank as the bank of the City, all credit card processing must be transitioned from Citizen's Business Bank to Elavon. Both US Bank and Elavon Inc. are subsidiaries of U.S. Bank Corp.

ISSUES/ANALYSIS

In order to offset the rising costs associated with the acceptance of credit/debit cards, the City can choose to pursue a service fee and convenience fee program. This is allowed by Government Code §6159(h), which states that public agencies may impose fees for the use of credit or debit cards.

There are two options presented for City Council consideration with respect to accepting credit cards from customers. Staff's recommendation, Option 1, is to charge a service or convenience fee, essentially passing the cost of credit card processing onto the card user. Option 2 is to continue to absorb the credit card processing fees, which in recent years has been increasing. It should be noted that with both options, the City will continue to accept Cash, Check, Money Orders, and Cashier Checks free of charge.

Option 1 – Implement Service Fee and Convenience Fee

Based upon the City and Water District's average annual credit card/debit card dollar volume and the number of transactions, develop a fixed percentage service fee of 2.25% for Government-type transactions, and a \$3.50 fixed amount convenience fee for Utility-type transactions (Utility). Based upon these fees, the City would recover costs charged by the credit card.

Table 2	Fee Type	Fee
Utility Payments	Convenience	\$3.50 fixed amount
Government Payments	Service	2.25% fixed percentage

The rules regarding service fees and convenience fees are established by the credit card networks, who each have their own set of rules and criteria that must be adhered to and followed in order to allow fees to be charged. By not adhering to the network rules, the City can lose the ability to accept credit cards as a form of payment. Of all the credit card networks, VISA has the most stringent rules. Complying with VISA's rules, ensures compliance with the other credit card providers.

Convenience Fee

The VISA network dictates that all utility payments, which include water and sewer service, can only be charged a convenience fee. Further, the convenience fee cannot be assessed to face-to-face transactions. Meaning, for water/sewer service payments accepted at the central cashier counter, no fee can be assessed. Essentially, the fee is assessed for providing the convenience of accepting credit/debit cards via the telephone or by the internet. Finally, the convenience fee must be disclosed to the customer and an opportunity to "opt-out" and cancel the transaction must be provided prior to the transaction being processed.

Based on the analysis of utility based credit/debit card revenue and the associated processing fees, the City would assess a \$3.50 convenience fee.

Service Fee

For all non-utility payments, the City can assess a percentage based service fee. The VISA network allows the service fee to be assessed to all transactions, which include face-to-face, online, or by telephone; so long, as the payment is not for utilities. Based on the analysis of non-utility based credit card revenue and the associated processing fees, the City would assess a 2.25% service fee.

Option 2 – No Fees

As mentioned, the City currently pays all processing fees. With Option 2, the City will continue this practice. As shown in Table 1, these costs have been on the rise as development continues in the City.

FISCAL IMPACT

With Option 1, the City can save upwards of \$148,000 annually in credit card processing fees by passing these costs onto the consumer. As mentioned, the City will continue to accept all cash, check, money order, and cashier check payments with no added fee.

With Option 2, there will be no additional fiscal impact, as the City currently budgets for the credit card fees. Should Option 2 be selected, the City will continue the current practice and include such costs in its annual budget.

ALTERNATIVES

1. Provide alternative direction to staff

ATTACHMENT(S)

1. Joint Resolution 2020-10, HHA 2020-02, CDC 2020-01, and HWD 2020-06

**JOINT RESOLUTION NO. 2020-10
RESOLUTION NO. HHA 2020-02
RESOLUTION NO. CDC 2020-01
RESOLUTION NO. HWD 2020-06**

**A JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HESPERIA,
CALIFORNIA, BOARD OF DIRECTORS OF THE HESPERIA HOUSING
AUTHORITY, COMMISSIONERS OF THE COMMUNITY DEVELOPMENT
COMMISSION, AND THE BOARD OF DIRECTORS FOR THE HESPERIA
WATER DISTRICT APPROVING A CREDIT CARD/DEBIT CARD SERVICE FEE
AND CONVENIENCE FEE PROGRAM**

WHEREAS, the City accepts credit card as a form of payment for all types for transactions; and

WHEREAS, the City acknowledges that allowing payments by credit card and debit card requires the City to incur expenses for offering this service, which in recent years such costs have increased significantly;

WHEREAS, California Code, Government Code - GOV § 6159 allows the City to impose fees for the use of credit and debit cards to offset such costs; and

WHEREAS, the City will continue to accept customer payments in the form of cash, check, cashier's checks, and money orders without any imposed fee;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HESPERIA, CALIFORNIA, BOARD OF DIRECTORS OF THE HESPERIA HOUSING AUTHORITY, COMMISSIONERS OF THE COMMUNITY DEVELOPMENT COMMISSION, AND BOARD OF DIRECTORS OF THE HESPERIA WATER DISTRICT, AS FOLLOWS:

Section 1. That the recitals above are true and correct and adopted as findings.

Section 2. A fixed percentage service fee of 2.25% shall be imposed on all non-utility type credit/debit card payments made in person, via the internet, or by phone.

Section 3. A fixed amount convenience fee of \$3.50 shall be imposed on utility type credit/debit card payments made via the internet or by phone.

Section 4. That the 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 18th day of February 2020.

Larry Bird, Mayor/Chair

ATTEST:

Melinda Sayre, City Clerk

CITY OF HESPERIA STAFF REPORT



DATE: February 18, 2020
TO: Mayor and Council Members
Chair and Commission, Hesperia Housing Authority
Chair and Commission, Community Development Commission
Chair and Board Members, Hesperia Fire Protection District
Chair and Board Members, Hesperia Water District
FROM: Nils Bentsen, City Manager
BY: Casey Brooksher, Director of Finance
Lorraine Carmona, Budget/Finance Specialist
SUBJECT: Fiscal Year 2019-20 Mid-Year Budget Review

RECOMMENDED ACTION

It is recommended that the Fiscal Year 2019-20 Mid-Year Budget Review be received and filed and the related following resolutions, which amend the respective Fiscal Year 2019-20 Budgets for the City of Hesperia and the Hesperia Water District be approved:

- 1) City of Hesperia Resolution No. 2020-07
- 2) Hesperia Water District HWD 2020-03

BACKGROUND

In compliance with the City Council's policy direction, staff has prepared the Fiscal Year 2019-20 Mid-Year Budget Review for the City Council, the Hesperia Housing Authority, Community Development Commission, the Hesperia Fire Protection District and the Hesperia Water District Board's consideration and action.

ISSUES/ANALYSIS

The attached document entitled "Fiscal Year 2019-20 Mid-Year Budget Review" includes a report on the status of the City's Fiscal Year 2019-20 Budget and financial plan for the first six months of the current fiscal year. The report format is designed to facilitate the review of complex financial information for an efficient and effective financial review process.

FISCAL IMPACT

See Fiscal Year 2019-20 Mid-Year Budget Review attached.

ALTERNATIVE

1. Provide alternative direction to staff.

ATTACHMENTS

1. Fiscal Year 2019-20 Mid-Year Budget Review
2. Resolution No. 2020-07
3. Resolution HWD 2020-03



FISCAL YEAR 2019-20

MID-YEAR BUDGET REVIEW

February 18, 2020

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EXECUTIVE SUMMARY

Overall, Fiscal Year 2019-20 Budget revenue and expenditures are proceeding as planned. The following chart compares the FY 2019-20 Budget and December 2019 year-to-date (YTD) revenue and expenditure totals, with the difference being budgeted reserves and transfers.

	2019-20 Budget	2019-20 Amended	December 2019 YTD	Amended % Received/Expended
Revenue	\$ 86,034,127	\$ 86,406,046	\$ 30,309,029	35%
Loan Proceeds	4,500,000	4,500,000		
Use of Reserves	9,752,653	10,020,103		
Net Transfers	0	0		
Total Resources	\$ 100,286,780	\$ 100,926,149		
Expenditures	98,496,938	99,648,614	32,990,369	33%
Difference	\$ 1,789,842	\$ 1,277,535		

Status of Overall City Fiscal Year 2019-20 Budget

The percentage comparisons for expenditures are based on comparing the December 2019 YTD to the 2019-20 Amended Budget. The Amended Budget is used to accurately reflect any changes to the adopted budget that occur from City Council approving budget amendments throughout the fiscal year.

Revenue: Through December 2019, YTD revenue is \$30.3 million, which is approximately 21% more than the December 2018 YTD revenue of \$25.1 million. This increase over the previous year can primarily be attributed to the inclusion of General and Administrative Recovery (G & A) for administration services provided by general fund staff to other departments within the City, which was previously recorded as a Transfer In. However, without the G & A revenue, the December 2019 YTD revenue would only be 10% more than December 2018. Overall, revenue is 35% collected through December 2019. Additional detail is provided further within the report.

Expenditures: At 33% of the amended budget utilized, the FY 2019-20 Budget is proceeding as planned. Overall, the December 2019 YTD expenditures of \$33.0 million are \$0.6 million or 2% more than the December 2018 YTD of \$32.4 million which excludes the Fire District. It should be noted that there are four (4) budget amendments totaling \$396,702 included in this report.

Reserves: The General Fund exceeds the City Council's policy of 10% cash reserves. The following estimated reserve calculations are based on the June 30, 2019 ending cash balances included in the June 30, 2019 audited Comprehensive Annual Financial Report (CAFR). Using the CAFR audited data assures that the estimated reserves are based on actual information. The Water District's beginning cash balance decreased by \$2.6 million from the Adopted Budget to the Revised Budget, primarily the result of pending reimbursements from the State of California related to the State Revolving Fund Loan for the Recycled Water Line Project. In addition, the four (4) Mid-Year Budget Amendments, totaling \$396,702, are reflected below where appropriate:

	General Fund		Water District	
10% Cash Reserves (Council/Board Policy)	\$ 3,484,295	10%	\$ 3,851,623	10%
Cash Reserves Above 10% Reserve	4,509,828	13%	(2,816,607)	-7%
Total Estimated Cash Reserves	\$ 7,994,123	23%	\$ 1,035,016	3%

Months of Cash

2.8

0.3

EXECUTIVE SUMMARY (Continued)

Proposed Budget Amendments – 4 Budget Amendments are proposed for \$396,702

The FY 2019-20 Mid-Year Budget Review includes four (4) items as proposed budget amendments totaling \$396,702. The proposed budget amendments are included in the fund balance analyses where appropriate:

FY 2019-20 Mid-Year Budget Requests	General Fund	Other Funds	Totals
CSA64 Sewer Service	\$ 98,594	\$ 0	\$ 98,594
Mobile License Plate Reader for 1 Patrol Unit	30,658	0	30,658
Risk Assessment & Emergency Response Plan	0	210,000	210,000
Repairs to Manholes on Bear Valley Road	0	57,450	57,450
Total Mid-Year Amendment Requests	\$ 129,252	\$ 267,450	\$ 396,702

Revenues and Expenditures through December 31, 2019 for the City's main funds are summarized as follows:

	2019-20 Revenue			2019-20 Expenditures		
	Revised Budget	December	% Received	Amended Budget	December	% Expended
General Fund						
City Council				\$ 902,533	\$ 321,604	36%
City Manager				2,901,500	1,415,394	49%
Management Services				4,238,398	2,542,665	60%
D.S.-Community Development				2,131,385	1,055,700	50%
D.S.-Code Compliance				2,934,291	1,407,740	48%
D.S.-Public Works (G.F.)				1,975,189	806,991	41%
Police				17,086,541	8,554,501	50%
Total General Fund	\$ 34,922,194	\$ 9,864,123	28%	\$ 32,169,837	\$ 16,104,595	50%
Community Development Block Grant	1,453,342	710,256	49%	1,956,000	694,542	36%
Community Development Commission	29,893	29,864	100%	529,790	300,006	57%
Hesperia Housing Authority	248,939	84,224	34%	83,360	36,795	44%
D.S.-Public Works	89,000	65,906	74%	4,368,994	1,778,683	41%
Streets CIP Funds	18,692,173	4,780,295	26%	18,471,765	1,401,587	8%
Other Transportation Related Funds	485,182	139	0%	484,482	477,331	99%
Other City Related Funds	1,255,312	346,071	28%	2,429,953	1,648,403	68%
D.S.-Water Operating and Capital	24,198,287	12,163,235	50%	29,744,668	8,004,046	27%
D.S.-Sewer Operating and Capital	4,998,324	2,259,753	45%	8,504,109	1,669,871	20%
Fire District	33,400	5,163	15%	905,656	874,510	97%
Total	\$ 86,406,046	\$ 30,309,029	35%	\$ 99,648,614	\$ 32,990,369	33%

STATUS OF CITY GENERAL FUND 2019-20 BUDGET, BUDGET AMENDMENTS, AND RESERVES

	2019-20 Budget	2019-20 Revised	Change Dollars	Percent
RESOURCES				
General Fund Operating Revenue	\$ 31,819,112	\$ 32,224,856	\$ 405,744	1%
1. Fund 700 - Indirect Cost Allocation - Water	2,289,972	2,289,972		
2. Fund 710 - Indirect Cost Allocation - Sewer	407,366	407,366		
Total General Fund Revenue	\$ 34,516,450	\$ 34,922,194	\$ 405,744	1%
Budgeted Reserves				
1. Budgeted Reserves	0	0		
2. 2014 Development Impact Fee Loan (DIF-Public Service)	0	0		
Total Budgeted Reserves	\$ 0	\$ 0		
Transfers In				
1. Fund 255 - AB 3229 COPS Grant	246,000	246,000		
Total Transfers In	246,000	246,000		
Total Revenues	34,762,450	35,168,194		
Total General Fund Resources	\$ 34,762,450	\$ 35,168,194		
EXPENDITURES				
General Fund Operating Expenses	\$ 32,158,337	\$ 32,158,337		
1. Fund 210 - HFPD CalPERS	644,000	644,000		
2. Fund 304 - 2014 DIF Loan (DIF-Public Service)	350,000	350,000		
3. Fund 402 - 2012 Water Rights Acquisition Debt Service	1,443,175	1,443,175		
4. Fund 403 - 2005 COP Refinance Debt Service	106,686	106,686		
Total Transfers Out	2,543,861	2,543,861		
Total General Fund Expenditures & Transfers Out	34,702,198	34,702,198	0	0%
Total First Quarter Budget Amendment	0	11,500	11,500	n/a
Mid-Year Budget Amendments				
1. CSA 64 Sewer Service (Non-Departmental)	0	98,594		
2. Mobile License Plate Reader for 1 Patrol Unit (Police)	0	30,658		
Total Mid-Year Budget Amendments	0	129,252		
Total Expenditures and Amendments	34,702,198	34,842,950	140,752	0%
DIFFERENCE RESOURCES/EXPENDITURES	\$ 60,252	\$ 325,244		
Fund Balance				
July 1 Beginning Balance	\$ 10,041,678	\$ 13,080,387		
Difference Resources/Expenditures	60,252	325,244		
Estimated June 30 Ending Fund Balance	\$ 10,101,930	\$ 13,405,631		
Months of Cash to Pay Expenditures and Transfers Out				
Beginning Cash July 1,	\$ 5,987,782	\$ 7,668,879		
Estimated Revenues & Transfers In	34,762,450	35,168,194		
Estimated Expenditures & Transfers Out	(34,702,198)	(34,842,950)		
Estimated Ending Cash June 30,	\$ 6,048,034	\$ 7,994,123		
Months of Cash to Pay Expenditures and Transfers Out	2.1	2.8		
Total Estimated Cash Reserves Percentage	17%	23%		

STATUS OF WATER DISTRICT 2019-20 BUDGET, BUDGET AMENDMENTS, AND RESERVES

	2019-20 Budget	2019-20 Revised	Change	
			Dollars	Percent
RESOURCES				
Revenue				
Water Operating and Capital	\$ 21,873,152	\$ 21,898,287	\$ 25,135	0%
Sewer Operating and Capital	4,998,324	4,998,324		
Total Revenue	26,871,476	26,896,611	25,135	0%
CIP Grants and Loans:				
Prop 84 Drought Relief Grant	0	0		
Prop 1 Grant	2,300,000	2,300,000		
Loan Proceeds-State Revolving Fund (SRF)	4,500,000	4,500,000		
Sub-total One-Time Revenue	6,800,000	6,800,000		
Budgeted Reserves				
Budgeted Reserves	3,672,000	3,672,000		
Mid-Year Budget Amendment	0	267,450		
Total Budgeted Reserves	\$ 3,672,000	\$ 3,939,450	\$ 267,450	7%
Total Resources	37,343,476	37,636,061	292,585	1%
EXPENDITURES				
Water Operating and Capital	29,744,668	29,744,668		
Sewer Operating and Capital	8,493,682	8,504,109		
Total Expenditures	38,238,350	38,248,777	10,427	0%
Mid-Year Budget Amendments - Requested				
1. Risk Assessment & Emergency Response Plan (Water Operating)	0	210,000		
2. Repairs to Manholes on Bear Valley Road (Sewer Capital)	0	57,450		
Total Mid-Year Budget Amendments - Requested	0	267,450		
Total Expenditures and Amendments	38,238,350	38,516,227	277,877	1%
Difference Resources/Expenditures	\$ (894,874)	\$ (880,166)		
Fund Balance				
July 1 Beginning Balance	\$ 90,316,084	\$ 92,064,787		
Budgeted Reserves	(3,672,000)	(3,939,450)		
Difference Resources/Expenditures	(894,874)	(880,166)		
Estimated June 30 Ending Fund Balance	\$ 85,749,210	\$ 87,245,171		
Months of Cash to Pay Expenditures				
Beginning Cash July 1,	\$ 8,459,199	\$ 5,854,632		
Estimated Revenue	33,671,476	33,696,611		
Estimated Expenditures	(38,238,350)	(38,516,227)		
Estimated Ending Cash June 30,	\$ 3,892,325	\$ 1,035,016		
Months of Cash to Pay Expenditures and Transfers Out	1.2	0.3		
Total Estimated Cash Reserves Percentage	10%	3%		

Note: The July 1 cash balance decreased by \$2.6 million from the Adopted Budget to the Revised Budget primarily the result of pending reimbursements from the State of California for the Recycled Water Line Project CO #8087.

STATUS OF STREETS MAINTENANCE FUND 2019-20 BUDGET, FUND BALANCE, AND RESERVES

	2019-20 Budget	2019-20 Revised	Change Dollars	Percent
RESOURCES				
Total Street Maintenance Fund Revenue	\$ 17,000	\$ 89,000	\$ 72,000	424%
Budgeted Reserves	250,000	250,000		
Transfers				
Fund 204 - Measure I - Renewal	\$ 1,344,000	\$ 1,344,000		
Fund 205 - Gas Tax Fund	1,530,000	1,530,000		
Fund 206 - Gas Tax Swap	990,000	990,000		
Fund 207 - Local Transportation Fund (LTF)	300,000	300,000		
Total Transfers	4,164,000	4,164,000		
TOTAL RESOURCES				
(Revenue, Budgeted Reserves, and Transfers)	4,431,000	4,503,000	72,000	2%
STREET MAINTENANCE FUND EXPENDITURES	4,368,994	4,368,994	0	0%
DIFFERENCE RESOURCES/EXPENDITURES	\$ 62,006	\$ 134,006		
Fund Balance				
July 1 Beginning Balance	\$ 504,739	\$ 612,022		
Budgeted Reserves	(250,000)	(250,000)		
Difference Resources/Expenditures	62,006	134,006		
Estimated June 30 Ending Balance	\$ 316,745	\$ 496,028		

STATUS OF COMMUNITY DEVELOPMENT COMMISSION 2019-20 BUDGET, FUND BALANCE, AND RESERVES

	2019-20 Budget	2019-20 Revised	Change Dollars	Percent
RESOURCES				
Community Development Commission Revenue	\$ 34,863	\$ 29,893	\$ (4,970)	-14%
Budgeted Reserves	0	0		
Transfers	0	0		
Total Resources	34,863	29,893	(4,970)	-14%
EXPENDITURES	529,790	529,790	0	0%
DIFFERENCE RESOURCES/EXPENSES	\$ (494,927)	\$ (499,897)		
Fund Balance				
July 1 Beginning Balance	\$ 11,216,861	\$ 11,214,016		
Budgeted Reserves	0	0		
Difference Resources/Expenditures	(494,927)	(499,897)		
Estimated June 30 Ending Balance	10,721,934	10,714,119		
Less: Land Held for Resale	(12,102,122)	(12,102,122)		
June 30th Ending Operating Fund Balance	\$ (1,380,188)	\$ (1,388,003)		

STATUS OF HESPERIA HOUSING AUTHORITY FUND 2019-20 BUDGET, FUND BALANCE, AND RESERVES

	2019-20 Budget	2019-20 Revised	Change	
			Dollars	Percent
RESOURCES				
Housing Authority Revenue	\$ 218,721	\$ 248,939	\$ 30,218	14%
Budgeted Reserves	0	0		
Total Resources	\$ 218,721	\$ 248,939	\$ 30,218	14%
EXPENDITURES				
370 Hesperia Housing Authority	83,360	83,360		
371 WEDA Housing Authority	0	0		
Total Expenditures	83,360	83,360	0	0%
DIFFERENCE RESOURCES/EXPENSES	\$ 135,361	\$ 165,579	\$ 30,218	22%
Fund Balance				
July 1 Beginning Balance	\$ 14,150,933	\$ 13,807,441		
Budgeted Reserves	0	0		
Difference Resources/Expenditures	135,361	165,579		
Estimated June 30 Ending Balance	\$ 14,286,294	\$ 13,973,020		
Less: Land Held for Resale	(8,911,584)	(8,911,584)		
June 30th Ending Operating Fund Balance	\$ 5,374,710	\$ 5,061,436		

FISCAL YEAR 2019-20 DECEMBER 31, 2019 YEAR-TO-DATE REVENUE REVIEW

MAJOR FUNDS REVENUE SUMMARY

	2019-20 Budget	December 2019-20 Actual	Percent Received	2019-20 Revised	Change From Budget To Revised
General Fund	\$ 34,516,450	\$ 9,864,123	29%	\$ 34,922,194	\$ 405,744
Community Development Block Grant	1,758,197	710,256	40%	1,453,342	(304,855)
Community Development Commission	34,863	29,864	86%	29,893	(4,970)
Hesperia Housing Authority	218,721	84,224	39%	248,939	30,218
Street Related Funds	19,194,355	4,846,340	25%	19,266,355	72,000
Other City Related Funds	1,106,665	346,071	31%	1,255,312	148,647
Water Operating	21,073,152	11,254,390	53%	21,098,287	25,135
Water Capital	3,100,000	902,615	29%	3,100,000	0
Water Reserves	0	6,230	n/a	0	0
Total Water Operating & Capital	24,173,152	12,163,235	50%	24,198,287	25,135
Sewer Operating	4,560,324	2,173,240	48%	4,560,324	0
Sewer Capital	438,000	85,913	20%	438,000	0
Sewer Reserves	0	600	n/a	0	0
Total Sewer Operating & Capital	4,998,324	2,259,753	45%	4,998,324	0
Water District	29,171,476	14,422,988	49%	29,196,611	25,135
Fire District	33,400	5,163	15%	33,400	0
Total All Funds	\$ 86,034,127	\$ 30,309,029	35%	\$ 86,406,046	\$ 371,919

Overall – Through the end of December 2019, 35% percent of the Adopted Budgeted revenue has been collected compared to 32% for December 2018 (after excluding the Fire District Operations that were transferred to San Bernardino County). The General Fund has received 29% of expected revenue, which is largely due to the timing of when revenues are received. For the 2019-20 Mid-Year Review, more revenue sources will have been received including: vehicle license fee, property tax revenue (with receipts beginning in November), grant reimbursement revenue, and Community Development Block Grant (CDBG) revenue, which will be collected for the activity that occurred during the Second Quarter.

The FY 2019-20 Revised for the General Fund is \$0.4 million more than the FY 2019-20 Budget. This projected increase is due to the expected increase in Development related revenue, Commercial Cannabis related revenue, and pass-thru apportionment that included double the residual that was received in December 2019. Community Development Block Grant (CDBG) was revised down to reflect the reduced reimbursements from projects experiencing delays.

Water Operating revenue is being collected as expected with 53% collected through December 2019, compared to 51% collected through December 2018. Water consumption sales through December 2019 have increased 7% compared to December 2018, while the revenue collected for the water bi-monthly charge has increased by 10% over the same period. The increase in FY 2019-20 Budgeted Water Sales revenue reflects the ongoing effects from the implementation of the water rates structure. Also contributing to the increase is receiving more residual pass-thru apportionment than in prior years. Sewer Operating & Capital combined is 45% collected. As a whole, the Water District revenue is being received as anticipated.

FISCAL YEAR 2019-20 DECEMBER 31, 2019 YEAR-TO-DATE REVENUE REVIEW (Continued)

GENERAL FUND REVENUES

	2019-20 Budget	December 2019-20 Actual	Percent Received	2019-20 Revised	Change From Budget To Revised
Sales and Use Tax	\$ 9,665,000	\$ 3,390,313	35%	\$ 9,665,000	\$ 0
Vehicle License Fee (VLF)	8,705,693	0	0%	8,705,693	0
Franchise Fees	3,571,144	684,914	19%	3,571,144	0
Sub-Total Top Three Revenues	21,941,837	4,075,227	19%	21,941,837	0
Transient Occupancy Tax	1,175,000	473,084	40%	1,175,000	0
Property Transfer Tax	270,000	129,185	48%	270,000	0
Secured Property Tax	1,193,612	435,043	36%	1,193,612	0
Business License	350,000	255,343	73%	350,000	0
Community Facilities District 2005-1	297,203	148,434	50%	297,203	0
Leased Water Rights	2,312,024	0	0%	2,312,024	0
General & Administrative Recovery	2,697,338	1,348,669	50%	2,697,338	0
Development Related Revenues					
Planning	172,964	149,870	87%	225,261	52,297
Building & Safety	2,136,818	1,051,657	49%	2,139,268	2,450
Engineering	333,228	253,437	76%	409,888	76,660
Sub-Total Development Related Revenues	2,643,010	1,454,964	55%	2,774,417	131,407
Sub-Total Top 13 Revenue Sources	32,880,024	8,319,949	25%	33,011,431	131,407
All Other	1,636,426	1,544,174	94%	1,910,763	274,337
Total General Fund Revenues	\$ 34,516,450	\$ 9,864,123	29%	\$ 34,922,194	\$ 405,744

General Fund Revenue Comments:

General Fund Revenue – Through December 2019, YTD revenue has increased \$2.6 million or 36% from December 2018 revenues of \$7.2 million. This increase is mainly attributed to the inclusion of General and Administrative Recovery (G & A) revenue for administrative services provided by general fund staff to other departments within the City. The inclusion of the G & A revenue represents a change in how the funds are recorded and represented. Previously shown as an Operating Transfer-In, G & A is now reflected as a revenue source. Evaluating the change in revenue without the G & A classification impact results in a mid-year FY 2019-20 revenue increase of \$1.3 million, or 18% over the prior fiscal year. It is necessary to note that the FY 2019-20 Budget assumes 165 residential permits for the year versus the 200 budgeted in the prior year.

Sales and Use Tax – The collections through the second quarter of \$3.4 million is \$0.3 million or 7.7% less than the December 2018 YTD of \$3.7 million. This is due to the catch-up payments from the State that were received in FY 2018-19 due to their implementation of a new sales tax computer system. Revenue is expected to be received as budgeted.

Vehicle License Fee (VLF) – This revenue is based on the City's assessed valuation. As the assessed valuation changes from the prior year, this revenue changes by the same percentage. There is no revenue reported through December 2019, as the first installment of the VLF is expected to be received in January and May 2020.

Franchise Fees – Franchise fees for Cable TV, Advance Disposal, Southwest Gas, Southern California Edison, and Water for December 2019 YTD total \$0.7 million, which is \$29,353 or a 4% increase over December 2018 YTD. Please note that the majority of franchise fees are received in the second half of the fiscal year.

Transient Occupancy Tax (TOT) – Through December 2019, YTD revenue is \$473,084, which is \$28,897 more than the December 2018 YTD of \$444,187. This reflects a 6.5% increase, which is attributed due to the timing of receipts received from the hotels through November 2019 and the payments from a new hotel.

FISCAL YEAR 2019-20 DECEMBER 31, 2019 YEAR-TO-DATE REVENUE REVIEW (Continued)

General Fund Revenue Comments (Continued):

Property Transfer Tax – This revenue reflects the change in property valuation upon change of ownership within the City. The December 2019 YTD total of \$129,185, which represents a \$34,826 or 37% increase from December 2018 YTD of \$94,359.

Secured Property Tax – Through December 2019, YTD revenue is \$0.4 million, which is \$0.2 million more than the December 2018 YTD. This reflects the increase in property taxes as a result from the annexation with County Fire.

Business License – This revenue is paid by each business operating in the City. YTD December 2019 collections of \$0.2 million is \$79,522 more than December 2018. There were 892 new business licenses issued during the first six months of FY 2019-20. Included in the new business licenses issued is nine cannabis businesses, compared to the four issued during the same period last fiscal year.

Community Facilities District 2005-1 – This special assessment district, (generally west of Maple Avenue and south of Main Street), was formed to refinance the bonds of CFD 91-3, and assesses the properties within the district to repay the bonds. Part of the annual assessment includes a public safety portion to offset some of the costs that residential development places on the City's public safety providers. The December 2019 YTD is \$148,434, which is 3% or \$4,502 more than December 2018 YTD of \$143,932.

Leased Water Rights – The permanent water rights owned by the General Fund can be leased annually and the lease revenue is used to pay for the 2012 Bonds, which financed the purchase of the water rights. The leasing of water rights revenue is always collected at the end of the year and will be recorded in June.

Development Related Revenue – The FY 2019-20 Budget anticipated issuing 165 residential building permits (SFR's). Through December 2019, 98 residential permits have been issued compared to 90 through December 2018. Development Related YTD revenue is \$294,535 or 25.4% more than the December 2018 YTD of \$1,160,429 due to the increased number of building permits issued and the increased commercial square footage added compared to the prior fiscal year. Commercial square footage is at 142,550 square feet through December 2019 compared to the 92,052 square feet through December 2018. The development of Kaiser Permanente, Southland Pipe, and Aldi have contributed to the increase in commercial square footage through December 2019. Overall, the 25.4% increase in development related revenue compared to the same period last fiscal year is evident with the increase of building permits issued for added commercial square footage. As such, this revenue has been revised to reflect the anticipated increase in additional permits for commercial permits, additional parcel maps, and additional conditional use permits during the second half of the fiscal year. The chart below exhibits the overall increase from the prior fiscal year through December 31, 2019.

<u>Division</u>	<u>FY 2018-19</u>	<u>FY 2019-20</u>	<u>Change</u>	
	<u>December 2018</u>	<u>December 2019</u>	<u>Amount</u>	<u>Percentage</u>
Planning	\$ 106,715	\$ 149,870	\$ 43,155	40.4%
Building & Safety	860,395	1,051,657	191,262	22.2%
Engineering	193,319	253,437	60,118	31.1%
Total	\$ 1,160,429	\$ 1,454,964	\$ 294,535	25.4%

All Other General Fund Revenue – The numerous all other general fund revenue accounts are \$1.5 million and 94% collected through December 31, 2019, compared to \$0.6 million collected December 2018. This difference can be attributed to receiving more revenue related to Commercial Cannabis than budgeted and the pass-thru apportionment that was received in December 2019, which included double the residual balance versus FY 2018-19 receiving the apportionment in January and May.

FISCAL YEAR 2019-20 DECEMBER 31, 2019 YEAR-TO-DATE REVENUE REVIEW (Continued)

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REVENUE

	2019-20 Budget	December 2019-20 Actual	Percent Received	2019-20 Revised	Change From Budget To Revised
CDBG Administration Reimbursement	\$ 1,689,197	\$ 635,567	38%	\$ 1,267,515	\$ (421,682)
CDBG Neighborhood Stabilization Prog. (NSP)	53,400	14,612	27%	114,121	60,721
Sub-Total	1,742,597	650,179	37%	1,381,636	\$ (360,961)
All Other CDBG Revenues	15,600	60,077	385%	71,706	56,106
Total CDBG Revenues	\$ 1,758,197	\$ 710,256	40%	\$ 1,453,342	\$ (304,855)

Community Development Block Grant Revenue Comments:

These revenues are reimbursements for projects designed to benefit the City and must be spent prior to submitting for reimbursements. Reimbursements of \$0.6 million has been received through December 2019 and has been revised down due to projects experiencing delays.

CDBG Neighborhood Stabilization Program (NSP) – The Budget primarily represents proceeds from sales of NSP properties, which are difficult to estimate as projected property sales can occur at any time during the fiscal year. However, staff anticipates the sale of one property will take place during the second half of the fiscal year and has revised the revenue to reflect the sale.

All Other CDBG Revenues – This revenue includes CDBG program income and interest revenue for the HOME Grant fund and the CDBG Revolving Loan fund. These revenues are one-time in nature and are not received on a time schedule as other revenue. The FY 2019-20 Budget has been revised to include \$60,077 that was received during the second quarter. This unanticipated revenue was due to the 1999 Home-Down Payment Assistance (DAP) repayments and interest income.

COMMUNITY DEVELOPMENT COMMISSION (CDC) REVENUE

	2019-20 Budget	December 2019-20 Actual	Percent Received	2019-20 Revised	Change From Budget To Revised
Reimbursement from Other Agencies	\$ 20,000	\$ 0	0%	\$ 0	\$ (20,000)
All Other CDC Revenues	14,863	29,864	201%	29,893	15,030
Total CDC Revenues	\$ 34,863	\$ 29,864	86%	\$ 29,893	\$ (4,970)

Community Development Commission Revenue Comments:

Reimbursements from Other Agencies has been reduced to zero, as the City does not expect to receive reimbursements from the member agencies of Opportunity High Desert. All Other CDC Revenues has been received and is revised to include a \$15,000 deposit refund received during the first quarter, which was due to escrow being canceled on a property.

FISCAL YEAR 2019-20 DECEMBER 31, 2019 YEAR-TO-DATE REVENUE REVIEW (Continued)

HESPERIA HOUSING AUTHORITY (HHA) REVENUE

	2019-20 Budget	December 2019-20 Actual	Percent Received	2019-20 Revised	Change From Budget To Revised
Interest Income	\$ 91,475	\$ 41,892	46%	\$ 91,475	\$ 0
Loan Repayments	88,246	30,218	34%	118,464	30,218
All Other HHA Revenue	1,000	375	38%	1,000	0
Sub-Total HHA Revenue	180,721	72,485	40%	210,939	30,218
VVEDA Housing Authority Revenue	38,000	11,739	31%	38,000	0
Total HHA Revenues	\$ 218,721	\$ 84,224	39%	\$ 248,939	\$ 30,218

Hesperia Housing Authority (HHA) Revenue Comments:

Interest and rental income/loan repayments are 99% of the Authority's FY 2019-20 Budget and 40% has been collected through December 2019. Loan repayments has been revised by \$30,218 to reflect the payments from San Remo II and HRLP payoffs. VVEDA Housing Authority revenue is being collected as expected.

STREET RELATED FUNDS REVENUE

	2019-20 Budget	December 2019-20 Actual	Percent Received	2019-20 Revised	Change From Budget To Revised
204 Measure I - Renewal	\$ 2,731,880	\$ 832,336	30%	\$ 2,731,880	\$ 0
205 Gas Tax Fund	1,553,281	661,671	43%	1,553,281	0
206 Gas Tax Swap Fund	925,584	366,161	40%	925,584	0
207 Local Transportation Fund	834,165	816,607	98%	834,165	0
209 Gas Tax - RMRA	1,569,303	621,163	40%	1,569,303	0
254 AQMD Fund	485,182	139	0%	485,182	0
263 Public Works Street Maintenance Fund	17,000	65,906	388%	89,000	72,000
Sub-Total	8,116,395	3,363,983	41%	8,188,395	72,000
DIF Streets & Storm Drain					
300 Development Impact Fee-Streets	3,075,223	117,268	4%	3,075,223	0
301 Development Impact Fee-Storm Drain	452,849	30,502	7%	452,849	0
306 Development Impact Fee 2018-Streets	1,494,562	1,228,119	82%	1,494,562	0
307 Development Impact Fee 2018-Drainage Facilities	121,999	106,293	87%	121,999	0
Sub-Total DIF Streets & Storm Drain	5,144,633	1,482,182	29%	5,144,633	0
504 City Streets CIP	5,933,327	175	0%	5,933,327	0
Total Street Related Funds	\$ 19,194,355	\$ 4,846,340	25%	\$ 19,266,355	\$ 72,000

Streets Related Funds Revenue Comments:

Measure I - Renewal – This fund is used to account for the renewed Measure I sales tax based on revenue generated from the ½ cent added tax on sales tax. Through December 2019 YTD, revenue is \$832,336 (3 installments) or 20% less than the December 2018 YTD of \$1,041,423 (4 installments). Installments are received monthly through the fiscal year. When comparing the first three installments through December 2019 to the first three through December 2018, the FY 2019-20 is \$33,119 more or 4.3%.

Gas Tax – The City's apportionments through December 2019 total \$661,671, which is \$156,094 more than the December 2018 total of \$505,577. Monthly apportionments are received throughout the fiscal year and vary from year-to-year due to timing differences by the State schedule of monthly apportionments. FY 2019-20 Revised remains unchanged reflecting that revenue is proceeding as expected.

FISCAL YEAR 2019-20 DECEMBER 31, 2019 YEAR-TO-DATE REVENUE REVIEW (Continued)**Streets Related Funds Revenue Comments (Continued):**

Gas Tax Swap – Through December 2019, the total apportionments of \$366,161 are \$229,897 more than the December 2018 YTD of \$136,264. The reason for this increase can be attributed to the SB-1 Transportation Funding Act and a State General Fund loan repayment from prior years borrowing of transportation funds, which will continue through the end of this fiscal year.

Local Transportation – Prior to FY 2018-19, Article 8 funds were received after the end of the fiscal year. During FY 2018-19, SBCTA notified the City that they made a change in the distribution of funds retroactive to FY 2015-16. As a result, of this change the determination was made that the allocation would be recorded during FY 2019-20, the year received. The December 2019 YTD of \$816,607 includes the apportionment received and a portion of interest income received in FY 2019-20.

Gas Tax RMRA – This source of revenue is State-funded and took effect in November 2017 during FY 2017-18. This revenue is used to repair and maintain roads, freeways, and bridges. SB 1, the Road Repair and Accountability Act of 2017, increased the gas tax by 12 cents and 20 cents for diesel. The vehicle registration fee also increased depending on the value of the vehicle. As of December 2019, revenue received from the State is \$621,163, which reflects four payments.

AQMD (AB2766 Transit) – Revenue is related to a grant reimbursement which is anticipated to be received later in the fiscal year as expenses are incurred and submitted for reimbursement.

Public Works-Street Maintenance – The estimated revenues are primarily interest earnings. This fund will occasionally receive miscellaneous reimbursements on an inconsistent basis, making comparisons to prior years meaningless. Through December 2019, \$59,791 of an unanticipated lien pay-off and proceeds from the sale of equipment has been received. The year-end revised has been increased by \$72,000 to reflect the unanticipated revenue received.

Development Impact Fees for Streets and Storm Drain – Through December 2019 YTD, the combined revenue received of \$1.5 million is \$0.4 million or 21%, less than the \$1.9 million received through December 2018 YTD. The primary reason for the decrease between the two periods is due to large development projects that paid their fees in FY 2018-19.

City Streets CIP – This fund tracks grant and developer funded projects such as the E Avenue Street Improvements, the Traffic Signal at Main Street and Sultana Street/Timberlane Avenue, Ranchero Aqueduct crossing, and the Park and Ride facility. Reimbursement revenue will be received after project construction later in the fiscal year.

FISCAL YEAR 2019-20 DECEMBER 31, 2019 YEAR-TO-DATE REVENUE REVIEW (Continued)

OTHER CITY FUNDS REVENUE

	2019-20 Budget	December 2019-20 Actual	Percent Received	2019-20 Revised	Change From Budget To Revised
255 AB3229 Supplemental Law Fund	141,700	136,377	96%	227,106	85,406
256 Environmental Programs Grant	2,600	14,185	546%	65,841	63,241
260 Disaster Preparedness Grant	500	276	55%	500	0
DIFs 302-304, 308-312					
302 Development Impact Fee-Fire	365,246	10,506	3%	365,246	0
303 Development Impact Fee-Police	108,656	1,977	2%	108,656	0
304 Development Impact Fee-Public Services	263,597	1,058	0%	263,597	0
308 Development Impact Fee 2018-Fire Suppression	80,875	72,967	90%	80,875	0
309 Development Impact Fee 2018-City Hall Facilities	69,472	62,438	90%	69,472	0
310 Development Impact Fee 2018-Animal Control	22,633	20,009	88%	22,633	0
311 Development Impact Fee 2018-Records Storage	3,368	3,034	90%	3,368	0
312 Development Impact Fee 2018-Police Facilities	1,018	1,198	118%	1,018	0
Sub-Total DIFs 302-304, 308-312	914,865	173,187	19%	914,865	0
402 2012 Water Rights Debt Service	26,000	12,134	47%	26,000	0
403 2013 Refunding Debt Service	21,000	9,912	47%	21,000	0
Total Other City Funds	\$ 1,106,665	\$ 346,071	31%	\$ 1,255,312	\$ 148,647

Other City Funds Revenue Comments: Many of these funds only receive interest income during the fiscal year.

AB3229 Supplemental Law Fund – The passage of Senate Bill (SB) 89 allowed for the continued funding of the Supplemental Law Enforcement Funding (SLESF). Through December 2019 \$136,377 or 96% has been received. The FY 2019-20 Budget has been revised to \$227,106 to reflect additional residual SLESF expected to be received from the prior year.

Environmental Programs Grant – This fund tracks various environmental grants for reimbursements. The December 2019 YTD of \$14,185 is primarily comprised of unanticipated reimbursements for electronic waste recycling. The FY 2019-20 revised has been increased by \$63,241 to reflect the additional reimbursements for various recycling events during the second half of the fiscal year.

Disaster Preparedness Grant – The revenue in this fund is interest earnings from retained cash.

Development Impact Fees-Fire, Police, Public Services, City Hall, Animal Control, and Records Storage – The combined total of \$173,186 for December 2019 YTD is 33% less than December 2018 YTD of \$259,517. The primary reason for the difference between the two periods is that large development projects such as West Main Villas and Hesperia Distribution Center paid their fees in FY 2018-19.

2012 Water Rights and 2013 Refunding Debt Service – The revenue in these fund is interest earnings from fiscal agent cash.

FISCAL YEAR 2019-20 DECEMBER 31, 2019 YEAR-TO-DATE REVENUE REVIEW (Continued)

WATER DISTRICT REVENUE

	2019-20 Budget	December 2019-20 Actual	Percent Received	2019-20 Revised	Change From Budget To Revised
Water Operating Revenue					
Water Sales	\$ 19,643,000	\$ 10,434,485	53%	\$ 19,643,000	\$ 0
Property Taxes	442,765	311,385	70%	442,765	0
Sub-Total	20,085,765	10,745,870	53%	20,085,765	0
All Other Water Operating Revenues	987,387	508,520	52%	1,012,522	25,135
Total Water Operating Revenues	\$ 21,073,152	\$ 11,254,390	53%	\$ 21,098,287	\$ 25,135
Capital Facilities Charges	800,000	902,615	113%	800,000	0
Prop 1 Grants	2,300,000	0	0%	2,300,000	0
Total Water Capital Revenues	3,100,000	902,615	29%	3,100,000	0
All Other Water Reserves Revenues	0	6,230	n/a	0	0
Total Water Operating & Capital Revenues	\$ 24,173,152	\$ 12,163,235	50%	\$ 24,198,287	\$ 25,135
Sewer Operating Revenue					
Sewer Billing	\$ 4,339,054	\$ 2,105,237	49%	\$ 4,339,054	\$ 0
All Other Sewer Operating Revenues	221,270	68,003	31%	221,270	0
Total Sewer Operating Revenue	4,560,324	2,173,240	48%	4,560,324	0
Sewer Connections	400,000	75,170	19%	400,000	0
All Other Sewer Capital Revenues	38,000	10,743	28%	38,000	0
Total Sewer Capital Revenue	438,000	85,913	20%	438,000	0
All Other Sewer Reserves Revenues	0	600	n/a	0	0
Total Sewer Operating & Capital Revenues	\$ 4,998,324	\$ 2,259,753	45%	\$ 4,998,324	\$ 0
Total Hesperia Water District Revenue	\$ 29,171,476	\$ 14,422,988	49%	\$ 29,196,611	\$ 25,135

Water District Revenue Comments:

Water Sales – Through December 2019, \$10.4 million has been received, which is \$0.7 million, or 7% higher than the December 2018 YTD of \$9.7 million. Water consumption sales increased 7% compared to December 2018, while the revenue collected for the water bi-monthly charge has increased by 10% over the same period. These increases in Water Sales revenue compared to December 2018 continue to represent the ongoing effects from the implementation of the new water rates structure. With Water Sales at 53% collected from the budgeted amount, it signifies the seasonality of this revenue source where revenues are typically higher during the warmer summer months.

Property Taxes – Property tax revenue is normally received from November 2019 through July 2020. Through December 2019, the YTD of \$311,385 is approximately \$155,887 or 100% more than the December 2018 YTD of \$155,498. This is due to receiving the one pass-thru apportionment which included double the residual balance in December 2019 versus receiving the apportionment in January and May as was done during FY 2018-19.

All Other Water Operating Revenue – Through December 2019, \$508,520 or 52%, has been received which is 4% more than December 2018 YTD of \$488,427. The increase for the Revised is primarily due to the unanticipated proceeds from equipment sales.

Capital Facilities Surcharge – Revenue through December 2019 YTD is \$902,615, which is \$507,825 or 129% more than December 2018 YTD of \$394,790. The increase to the revenue received during the Second quarter of 2019 is related to the large commercial projects such as the Frontier and Muscatel Apartments compared to revenue generated during the same period in 2018.

Prop. 1 Grants – This revenue will reimburse expenses of the Recycled Water project and will be drawn upon after expenses have been paid.

FISCAL YEAR 2019-20 DECEMBER 31, 2019 YEAR-TO-DATE REVENUE REVIEW (Continued)

Water District Revenue Comments (Continued):

Sewer Billing revenue through December 2019 is \$2,105,237, which is \$155,078 or 8% more than the revenue received in the Second Quarter of 2018-19. This increase is associated with the 6% sewer rate increase, which took effect in December 2018, along with the addition of new sewer residential and commercial customers over the past year.

Sewer Connections revenue through December 2019 YTD is \$75,170, which is 56% less than the \$170,789 received through December 2018 YTD. The decrease between the two periods is due to having received \$82,566 from the Mesa Linda duplexes in FY 2018-19.

FIRE DISTRICT REVENUE					
	2019-20	December	Percent	2019-20	Change From
	Budget	2019-20	Received	Revised	Budget To
		Actual			Revised
210 HFPD (PERS) Interest Income	\$ 33,400	\$ 5,163	15%	\$ 33,400	\$ 0
Total Fire District Revenue	\$ 33,400	\$ 5,163	15%	\$ 33,400	\$ 0

Hesperia Fire Protection District (Public Employees' Retirement System - PERS) – Interest Income is received later in the fiscal year.

DEPARTMENT FY 2019-20 BUDGET EXPENDITURE STATUS SUMMARY

Total City Expenditures – With the exception of the four (4) mid-year budget amendments totaling \$396,702, the overall assessment of the City's expenditures through the mid-year of the fiscal year is that expenditures are expected to stay within the FY 2019-20 Amended Budget.

Grouping	Department Expenditure Summary	2019-20 Budget	2019-20 Amended	December 2019 YTD Expenditures	Amended Percent Expended
Department/Division Proceeding As Planned					
1	Development Services - Community Development	\$ 2,131,385	\$ 2,131,385	\$ 1,055,700	50%
	Police	17,086,541	17,086,541	8,554,501	50%
	City Manager	2,901,500	2,901,500	1,415,394	49%
	Development Services - Code Compliance	2,934,291	2,934,291	1,407,740	48%
	Development Services - Public Works	6,332,683	6,344,183	2,585,674	41%
	Economic Development	2,418,069	2,569,150	1,031,343	40%
Department/Division Expenditures Are Less Than Expected (Less than 40% Expended)					
2	City Council	\$ 902,533	\$ 902,533	\$ 321,604	36%
	Development Services - Water	29,744,668	29,744,668	8,004,046	27%
	Development Services - Sewer	8,493,682	8,504,109	1,669,871	20%
CIP Funds Are Less Than Expected					
3	Streets Capital Improvement Project (CIP) Funds	\$ 17,493,097	\$ 18,471,765	\$ 1,401,587	8%
Department/Division Exceeding 55% Expended					
4	Other Transportation Related Funds	\$ 484,482	\$ 484,482	\$ 477,331	99%
	Fire District	905,656	905,656	874,510	97%
	Other City Related Funds	2,429,953	2,429,953	1,648,403	68%
	Management Services	4,238,398	4,238,398	2,542,665	60%
TOTAL CITY EXPENDITURES		\$ 98,496,938	\$ 99,648,614	\$ 32,990,369	33%

TOTAL EXPENDITURES BY DEPARTMENT AND PROGRAMS

DEPARTMENT/DIVISION PROCEEDING AS PLANNED

	2019-20 Budget	2019-20 Amended	December 2019 YTD Expenditures	Amended Percent Expended
D. S. - Community Development				
100 3000 Planning	\$ 990,359	\$ 990,359	\$ 476,879	48%
100 3020 Building & Safety	1,141,026	1,141,026	578,821	51%
Total D. S. - Community Development	\$ 2,131,385	\$ 2,131,385	\$ 1,055,700	50%

The Community Development Division is 50% expended overall through the Second Quarter. Planning is 48% expended and Building & Safety is 51% expended both consistent with expectations at this point of the year.

TOTAL EXPENDITURES BY DEPARTMENT AND PROGRAMS
DEPARTMENT/DIVISION PROCEEDING AS PLANNED (Continued)

	2019-20 Budget	2019-20 Amended	December 2019 YTD Expenditures	Amended Percent Expended
Police	\$ 17,086,541	\$ 17,086,541	\$ 8,554,501	50%

The Police Department budget is 50% expended, which is expected for the first half of the fiscal year with the County contract invoices paid through December 2019. An amendment in the amount of \$30,658 for the purchase of one (1) Mobile License Plate Reader (LPR) is being requested as part of this Mid-Year Budget Review.

	2019-20 Budget	2019-20 Amended	December 2019 YTD Expenditures	Amended Percent Expended
City Manager				
100 200 City Manager	\$ 1,472,767	\$ 1,472,767	\$ 708,329	48%
100 215 Information Technology	1,428,733	1,428,733	707,065	49%
Total City Manager	\$ 2,901,500	\$ 2,901,500	\$ 1,415,394	49%

The City Manager Department expenditures are on track staying within the 2019-20 Budget at 49% expended. Overall, both the City Manager and the Information Technology Divisions are proceeding as expected.

	2019-20 Budget	2019-20 Amended	December 2019 YTD Expenditures	Amended Percent Expended
D. S. - Code Compliance				
100 3010 Code Enforcement	\$ 1,199,796	\$ 1,199,796	\$ 609,588	51%
100 5000 Animal Control	1,734,495	1,734,495	798,152	46%
Total D. S. - Code Compliance	\$ 2,934,291	\$ 2,934,291	\$ 1,407,740	48%

The Code Compliance Division expenditures are trending as expected through mid-year. As shown by the table above, Code Enforcement is 51% expended, while Animal Control is 46% expended.

	2019-20 Budget	2019-20 Amended	December 2019 YTD Expenditures	Amended Percent Expended
D. S. - Public Works				
100 3100 Engineering	\$ 785,506	\$ 785,506	\$ 370,002	47%
100 3110 Building Maintenance	1,178,183	1,189,683	436,989	37%
263 3150 Street Maintenance	2,668,501	2,668,501	1,048,948	39%
263 3170 Traffic	1,700,493	1,700,493	729,735	43%
Total D. S. - Public Works	\$ 6,332,683	\$ 6,344,183	\$ 2,585,674	41%

Through the end of December, the Public Works Division is 41% expended. While Engineering and Traffic are trending as expected, Building Maintenance and Street Maintenance are contributing factors for the Public Works Division's lower than expected expenditures, at 37% and 39% respectively. Large projects such as recoating the parking lots at City Hall and the County Library, rebuilding the access control gates at the Police Station, heavy load vehicles impact study, and the street assessment for the Pavement Management Program will take place in the second half of the fiscal year, with expenditures occurring as progress is made. During the first quarter budget review, a budget amendment to re-paint the decorative tube steel at City Hall in the amount of \$11,500 was approved.

TOTAL EXPENDITURES BY DEPARTMENT AND PROGRAMS
DEPARTMENT/DIVISION PROCEEDING AS PLANNED (Continued)

	2019-20 Budget	2019-20 Amended	December 2019 YTD Expenditures	Amended Percent Expended
Economic Development				
<u>CDBG</u>				
251 CDBG Administration	\$ 1,689,197	\$ 1,828,845	\$ 681,883	37%
257 Neighborhood Stabilization	115,722	127,155	12,659	10%
Sub-total CDBG	1,804,919	1,956,000	694,542	36%
<u>Community Development Commission</u>				
170 Community Development Commission	529,790	529,790	300,006	57%
<u>Hesperia Housing Authority Funds</u>				
370 Hesperia Housing Authority	83,360	83,360	36,795	44%
Total Economic Development	\$ 2,418,069	\$ 2,569,150	\$ 1,031,343	40%

The Economic Development Department consists of the Community Development Block Grant (CDBG), Community Development Commission, and Hesperia Housing Authority funds. As a whole, the Economic Development Department is 40% expended through the Second Quarter.

In total, the CDBG funds are 36% expended.

- Fund 251 Community Development Block Grant has expended 37% of the amended budget. This fund administers the City's CDBG program and related activities which includes budgeted funds for two street improvement projects. Two additional projects, the Downtown Commercial Façade Improvement and grant contributions to the High Desert Homeless Services Warming Shelter, will occur after mid-year. Administration for the CDBG Programs, which is 12% expended at the end of December, will increase as progress is made on the public projects. During the first quarter budget review, a budget amendment for \$139,648 was approved to reprogram unspent funds for the use in the 2018-19 CDBG Street Improvements Project.
- Through the Second Quarter, the Neighborhood Stabilization Program is 10% expended, which is lower than anticipated. The FY 2019-20 Budget included funds for the demolition of a property to be completed by an outside contractor, but the demolition was instead performed by Development Services staff, resulting in a savings. During the first quarter budget review, a budget amendment for \$11,433 was approved to replace a septic tank at an NSP home.

The Community Development Commission (CDC), which performs the economic development functions for the City, is proceeding as expected with 57% of the budget expended.

The Hesperia Housing Authority (HHA) funds oversee the affordable housing activities within the City. Through the end of December, the HHA funds are 44% expended, which is expected for normal housing activities.

DEPARTMENT/DIVISION EXPENDITURES ARE LESS THAN EXPECTED (LESS THAN 40% EXPENDED)

	2019-20 Budget	2019-20 Amended	December 2019 YTD Expenditures	Amended Percent Expended
City Council				
100 100 City Council	\$ 602,533	\$ 602,533	\$ 192,058	32%
100 102 City Attorney	300,000	300,000	129,546	43%
Total City Council	\$ 902,533	\$ 902,533	\$ 321,604	36%

The City Council Department budget is 36% expended through December 2019. Contributing to the lower than anticipated City Council Division's expended percentage are budgeted items that are typically expended later during the fiscal year, such as \$150,000 for the Community Assistance Program, and \$50,000 for the Hesperia Unified School District Crossing Guard Program. The City Attorney Division is 43% expended, with invoices paid through November.

TOTAL EXPENDITURES BY DEPARTMENT AND PROGRAMS**DEPARTMENT/DIVISION EXPENDITURES ARE LESS THAN EXPECTED (LESS THAN 40% EXPENDED)****(Continued)**

	2019-20	2019-20	December	Amended
	Budget	Amended	2019 YTD	Percent
			Expenditures	Expended
D.S. Water Operating & Capital				
4010 Source of Supply	\$ 3,838,428	\$ 3,834,243	\$ 113,356	3%
4020 Production	3,297,777	3,299,600	1,396,216	42%
4030 Distribution	1,475,117	1,566,027	719,603	46%
4035 Pipeline Maintenance	1,437,009	1,337,204	474,749	36%
4040 Engineering	985,325	985,325	410,827	42%
4050 Customer Service	1,869,967	1,871,874	829,142	44%
4060 Utility Billing	940,985	940,985	525,053	56%
4070 Administration	4,930,233	4,937,083	1,886,205	38%
4080 Property Management	464,827	467,327	164,277	35%
Total Water Operations	19,239,668	19,239,668	6,519,428	34%
701 Water Capital	10,505,000	10,505,000	1,484,618	14%
Total D.S. Water Operating & Capital	\$ 29,744,668	\$ 29,744,668	\$ 8,004,046	27%

Overall, the Water Operating and Capital funds are 27% expended through December 31, 2019. The following narrative details the progression of each program.

- The primary responsibility of Source of Supply is to secure make-up water lease rights to remedy overproduction. At Mid-Year, Source of Supply is only 3% expended. Expenditures will increase significantly in the later part of the fiscal year due to the recording of leased water rights, to offset the Alto and Centro Subarea replacement obligation.
- Production, which is responsible for drawing the groundwater, has expended 42% of the budget by the end of the Second Quarter. Expenditures are lower than expected due to the timing of receipt of invoices related to the State Water Resources Control Board compliance tracking, and unregulated constituent monitoring invoices which are paid in the later part of the fiscal year.
- Distribution has utilized 46% of its allocated budget and is proceeding as planned.
- Through December 31, 2019, Pipeline Maintenance has expended 36% of the budget and will increase as material (pipe) is purchased for the pipeline replacement program, as identified in the FY 2019-20 Budget.
- Engineering is currently 42% expended and proceeding as expected with pending payments anticipated after the Second Quarter for the Water Master Plan update.
- Customer Service is 44% expended and, as progress is made with Advanced Metering Infrastructure (AMI) program, the expenditures will increase.
- Utility Billing is proceeding as expected with 56% expended.
- Administration is at 38% of the budget, which is primarily due to the Water District's principal debt service payment that is paid during the fourth quarter of the fiscal year. An amendment for \$210,000 is being requested for the District to prepare a federally mandated Risk Assessment and Emergency Response Plan as a requirement of the America's Water Infrastructure Act of 2018 (AWIA).
- Property Management is at 35% expended at mid-year. Facility maintenance costs are expected to increase as maintenance projects are completed throughout the fiscal year.
- Expenditures for the Water Capital fund are 14% expended and will increase as projects such as the Reclaimed Water Distribution System and I-15 Corridor progress.

TOTAL EXPENDITURES BY DEPARTMENT AND PROGRAMS**DEPARTMENT/DIVISION EXPENDITURES ARE LESS THAN EXPECTED (LESS THAN 40% EXPENDED)****(Continued)**

	2019-20 Budget	2019-20 Amended	December 2019 YTD Expenditures	Amended Percent Expended
D. S. - Sewer Operating & Capital				
4200 Operations	\$ 3,906,429	\$ 3,916,856	\$ 1,401,056	36%
4240 Engineering	181,145	181,145	85,085	47%
4260 Utility Billing	176,899	176,899	89,595	51%
4270 Administration	119,209	119,209	56,374	47%
Total Sewer Operating	4,383,682	4,394,109	1,632,110	37%
711 Sewer Capital Projects	4,110,000	4,110,000	37,761	1%
Total D.S. Sewer Operating & Capital	\$ 8,493,682	\$ 8,504,109	\$ 1,669,871	20%

The Sewer Funds overall are 20% expended.

Sewer Operating expenditures are 37% expended, which is primarily due to receiving invoices for Victor Valley Wastewater Reclamation Authority (VWWRA) sewer treatment fees through October 2019. It should be noted that the VWWRA connection fees are being recorded as an expense, but held in a liability account until payments are released to VWWRA. An amendment for \$10,427 was approved at the December 17, 2019 Council Meeting in order to fully fund the purchase of a replacement truck.

Sewer Capital has \$4.1 million allocated to several projects, such as the Maple Avenue sewer line replacement and I-15 Corridor sewer project. Capital expenditures will occur during the latter half of the fiscal year. Included in this report is a budget amendment request of \$57,450 for the repair of five (5) manholes on Bear Valley Road.

CIP FUNDS ARE LESS THAN EXPECTED

	2019-20 Budget	2019-20 Amended	December 2019 YTD Expenditures	Amended Percent Expended
Streets Capital Improvement Project (CIP) Funds	\$ 17,493,097	\$ 18,471,765	\$ 1,401,587	8%

Streets Capital Improvement related expenditures is at 8% expended through December 2019. As progress continues on projects, such as the FY 2019-20 Street Improvement Project, A-04 Drainage Program, "E" Avenue Street Improvements, and other streets related projects, the percentage of actual expenses to budget will increase.

TOTAL EXPENDITURES BY DEPARTMENT AND PROGRAMS**DEPARTMENT/DIVISION EXCEEDING 55% EXPENDED**

	2019-20 Budget	2019-20 Amended	December 2019 YTD Expenditures	Amended Percent Expended
Other Transportation Related Funds	\$ 484,482	\$ 484,482	\$ 477,331	99%

The Other Transportation Related Funds category consists of approximately \$0.4 million for the Main Street Traffic Synchronization project, which is anticipated to be completed during the early part of the 3rd Quarter.

TOTAL EXPENDITURES BY DEPARTMENT AND PROGRAMS
DEPARTMENT/DIVISION EXCEEDING 55% EXPENDED (Continued)

	2019-20 Budget	2019-20 Amended	December 2019 YTD Expenditures	Amended Percent Expended
Fire District				
210 HFPD (PERS)	\$ 905,656	\$ 905,656	\$ 874,510	97%
Total Fire District	\$ 905,656	\$ 905,656	\$ 874,510	97%

During FY 2018-19, the City transferred all Hesperia Fire Protection District (Fire District) assets and liabilities to San Bernardino County Fire, with the exception of the former personnel obligations, for which the Fire District will continue to function with dedicated funding. The Fire District is 97% expended, which is due to paying the annual contractual retirement obligations related to the former Fire District employees at the beginning of the fiscal year.

	2019-20 Budget	2019-20 Amended	December 2019 YTD Expenditures	Amended Percent Expended
Other City Related Funds	\$ 2,429,953	\$ 2,429,953	\$ 1,648,403	68%

A large portion of this classification is the budgeting of the principal and interest payments for the 2012 Water Rights Acquisition and 2013 Refunding Lease Revenue Bonds. Principal payments occur in October of each fiscal year, explaining the 68% expended percentage at December 2019.

	2019-20 Budget	2019-20 Amended	December 2019 YTD Expenditures	Amended Percent Expended
Management Services				
100 220 Finance	\$ 1,837,411	\$ 1,837,411	\$ 964,785	53%
100 225 Human Resources/ Risk Mgmt.	1,650,276	1,650,276	1,047,174	63%
100 229 Non-Departmental	750,711	750,711	530,706	71%
Total Management Services	\$ 4,238,398	\$ 4,238,398	\$ 2,542,665	60%

The Management Services Department is currently at 60% expended. The Finance Division is at 53% expended and proceeding as planned. The Human Resources Division is 63% expended due to the lump sum payment to CalPERS for the unfunded accrued liability and annual insurance premiums that were paid at the beginning of the fiscal year. Start-up expenditures for the Golf Course is the primary reason that Non-Departmental is 71% expended, which is causing Management Services to be higher than expected at the end of the second quarter. A budget amendment in the amount of \$98,594 has been included for County Service Area (CSA) 64 sewer fees, related to a development agreement, and more information is provided on page 24 of this report.

PROPOSED BUDGET AMENDMENTS – SUMMARY

The FY 2019-20 Mid-Year Budget Review includes four (4) budget amendments totaling \$396,702. The following listing categorizes the proposed budget amendments, with the following pages providing detail on each request:

FY 2019-20 Mid-Year Budget Requests	General Fund	Other Funds	Totals
CSA 64 Sewer Service	\$ 98,594	\$ 0	\$ 98,594
Mobile License Plate Reader for 1 Patrol Unit	30,658	0	30,658
Risk Assessment & Emergency Response Plan	0	210,000	210,000
Repairs to Manholes on Bear Valley Road	0	57,450	57,450
Total Mid-Year Amendment Requests	\$ 129,252	\$ 267,450	\$ 396,702

PROPOSED BUDGET AMENDMENTS – NARRATIVE

Management Services

▪ **CSA 64 Sewer Service – Non-Departmental \$98,594 (100-19-229) – Previous Staff Report**

On August 6, 2019, the City Council approved the covenant agreement between the City and Rich Development (18667 Hesperia, LLC). The agreement established that County Service Area (CSA) 64 would provide sewer service to the City for the development area at the southern portion of Bear Valley road near Fish Hatchery Road. The City will be billed directly by CSA 64 for sewer services. The Developer will then reimburse the City for the sewer fees as well as a 10% administrative fee. At the time that the staff report was brought to Council, no fees had been incurred. To date, the City has received one invoice in the amount of \$98,594 for which reimbursement has been received from the developer. To properly reflect the revenue and expenditure, a budget amendment in the amount of \$98,594 is requested.

Police

▪ **Mobile License Plate Reader \$30,658 (100-51-510) – New**

In an effort to enhance public safety, the Department of Homeland Security offers a Homeland Security Grant. The City applied for the grant during FY 2017-18 and was notified in October 2019 that the grant was awarded for the purchase of one (1) Mobile License Plate Reader (LPR) 4-Camera System for one patrol unit. The grant requires that the purchase be made first and then the required documentation submitted for reimbursement. During the FY 2019-20 Budget process, the City had not been notified of the grant award and it therefore was not included in the current budget. A budget amendment of \$30,658 is being requested for the purchase of one Mobile LPR.

Water

▪ **Risk Assessment & Emergency Response Plan– Water Operating \$210,000 (700-29-400) – Previous Staff Report**

On February 18, 2020, staff requested approval to award a professional services agreement for consulting services in the amount of \$210,000. These consulting services are being requested per the federal mandate for the Water District to prepare a Risk Assessment and Emergency Response Plan as a requirement of the America's Water Infrastructure Act of 2018 (AWIA). As such, an amendment is being requested.

PROPOSED BUDGET AMENDMENTS – NARRATIVE (Continued)

Sewer

▪ **Repairs to Manholes on Bear Valley Road – Sewer Capital \$57,450 (711-29-900) – Previous Staff Report**

On January 21, 2020, the City Council approved a contract in the amount of \$54,450 for repairs to five (5) manholes on Bear Valley Road. The manholes are in need of replacement due to the covers sinking beneath the grade of the road, causing an uneven driving surface and possible road hazard. As identified in the staff report, the request for budget amendment has been included with the Mid-Year report. Including printing and administrative costs of \$3,000, the total project is estimated to cost \$57,450.

Requested:	General Fund	Other Funds	Totals
Management Services			
CSA64 Sewer Service (Non-Departmental)	\$ 98,594	\$ 0	\$ 98,594
Total Management Services	\$ 98,594	\$ 0	\$ 98,594
Police			
Mobile License Plate Reader for 1 Patrol Unit	\$ 30,658	\$ 0	\$ 30,658
Total Police	\$ 30,658	\$ 0	\$ 30,658
Water District Costs			
Risk Assessment & Emergency Response Plan (Water Operating)	\$ 0	\$ 210,000	\$ 210,000
Repairs to Manholes on Bear Valley Road (Sewer Capital)	0	57,450	57,450
Total Water District Costs	\$ 0	\$ 267,450	\$ 267,450
Total City Expenditures	\$ 129,252	\$ 267,450	\$ 396,702
Source of Funds:			
General Fund - 100			\$ 129,252
Water Operating - 700			210,000
Sewer Capital - 711			57,450
Total Source of Funds			\$ 396,702

2019-20 Mid-Year Budget Proposed Restructuring

The following position title and salary changes are proposed for the more effective management of City operations. The increased cost associated with the proposed restructuring is approximately \$60,000. If approved by the City Council, these changes will be included in the 2020-21 Proposed Budget. The proposed changes are summarized as follows:

- Deputy City Manager (Unclassified/At-Will) – Eliminate one Assistant to the City Manager position, which is Unclassified/At-Will at a Range 45 and add one new Deputy City Manager position, with the same salary range of 45.
- Director of Government Services/City Clerk (Unclassified/At-Will) – Retitle the City Clerk, which will continue to be a Senior Management Classification (Unclassified/At-Will), with the same salary range of 45.
- Public Works Superintendent (Non-Represented) – Retitle the Public Works Supervisor/Water position, which is a Professional/Supervisory at a salary range of 40 to a new Public Works Superintendent position, which will be a Management classification at a Range 42.
- Animal Services Coordinator (Non-Represented) – Add a new position classification title of Animal Services Coordinator, which will be a Non-Represented position in the General classification, with a salary range of 30.
- Facilities Maintenance Technician – Reclassify the Facilities Maintenance Technician position (Non-Represented, part-time, Range 32) to a full-time position, which will be a Represented classification at a Range 12.

2020-21 Tentative Budget Calendar

While the Mid-Year report is a gauge of the current year's activity, it does serve as the official start for planning the next year's budget. Below is the tentative calendar for the FY 2020-21 Budget.

Council FY 2019-20 Mid-Year Budget Review	February 18, 2020
2020-21 Budget Instructions (Intranet)	February 27, 2020
2020-21 Draft Division and/or Program Narratives	March 12, 2020
FY 2019-20 Revised Expenditure Estimates, 2020-21 Current Level Proposed Budget Expenditures and Expenditure Detail Narrative forms	March 17, 2020
2020-21 Budget Increments-"Requested Expenditures Above Current Level"	March 19, 2020
FY 2019-20 Revised Revenue and 2020-21 Proposed Budget Revenue Estimates to Departments for Review	April 16, 2020
Budget Review with Departments/Divisions (Finance)	Mid-April
2020-21 Final Proposed Budget Division and/or Program Narratives completed	End of April
Workshop #1 – PERS Update	April 21, 2020
Workshop #2 – Current Level Budget to Council (Operating)	May 5, 2020
Workshop #3 – Above Current Levels to Council	May 19, 2020
2020-21 Proposed Budget completed	May 22, 2020
Council Budget Workshop	June 2, 2020
Council Adopts Operating Budget	June 2, 2020
Council Adopts CIP Budget	June 16, 2020

With this calendar, there are three planned budget workshops prior to requesting the City Council to adopt the operating budget on June 02, 2020 and the CIP Budget on June 16, 2020.

- Budget Workshop #1 will be an update on the status of CalPERS and the impacts to the City. The presentation will update the unfunded liability for each of the plans administered by the City (City, Water, and Fire).
- Budget Workshop #2 will highlight the current-level operating budget.
- Budget Workshop #3 will highlight the use of reserves for major purchases, as well as the capital improvement program budget.

RESOLUTION NO. 2020-07

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HESPERIA, CALIFORNIA, APPROVING THE 2019-20 MID-YEAR BUDGET REVIEW AND AMENDING THE 2019-20 CITY OF HESPERIA BUDGET TO FUND CERTAIN RELATED EXPENDITURES

WHEREAS, the City Council of the City of Hesperia was presented the 2019-20 Mid-Year Budget Review by staff; and

WHEREAS, the City Council of the City of Hesperia has reviewed the 2019-20 Mid-Year Budget Review information and analysis and has found it acceptable; and

WHEREAS, the City Council of the City of Hesperia has reviewed and approves budget amendments included in the 2019-20 Mid-Year Budget Review.

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

Section 1. That the recitals above are true and correct and adopted as findings.

Section 2. That the City Council of the City of Hesperia receives the 2019-20 Mid-Year Budget Review.

Section 3. That the City Council approves the 2019-20 Mid-Year Budget Review expenditure amendments by making appropriations for:

▪ CSA 64 Sewer Service (100-229-7478)	\$ 98,594
▪ Mobile License Plate Reader for 1 Patrol Unit (100-510-8001)	<u>30,658</u>
Total	\$129,252

Section 4. That the City Council approves the following position classification changes included in the 2019-20 Mid-Year Budget Review as follows:

Section 4a. That the City Council approves retitling the Assistant to the City Manager position with the reclassified Deputy City Manager position with added duties, which is an Unclassified/At-Will, Senior Management, non-represented position with an Employment Agreement, with the same salary range of 45.

Section 4b. That the City Council approves the reclassification of the City Clerk position (Range 45) to the new title of Director of Government Services/City Clerk, with added duties which is an Unclassified/At-Will, Senior Management, non-represented position with an Employment Agreement, with the same salary range of 45.

Section 4c. That the City Council approves the reclassification of the Public Works Supervisor/Water position (Range 40) to the new title of Public Works Superintendent position, to reflect the responsibilities of the position which is a non-represented position in the management classification, with a salary range of 42.

Section 4d. That the City Council approves the reclassification of the Facilities Maintenance Technician position, which is a part-time, non-represented position (Range 32) to a full-time, represented classification position (Range 12).

Section 4e. That the City Council approves the new position classification title of Animal Services Coordinator, which is a non-represented position in the general classification, with a salary range of 30.

Section 5. That the 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 18th day of February 2020.

Larry Bird, Mayor

ATTEST:

Melinda Sayre, City Clerk

RESOLUTION NO. HWD 2020-03

A RESOLUTION OF THE HESPERIA WATER DISTRICT OF THE CITY OF HESPERIA, CALIFORNIA, APPROVING THE 2019-20 MID-YEAR BUDGET REVIEW AND AMENDING THE 2019-20 HESPERIA WATER DISTRICT BUDGET TO FUND CERTAIN RELATED EXPENDITURES

WHEREAS, the Board of Directors of the Hesperia Water District was presented the 2019-20 Mid-Year Budget Review by staff; and

WHEREAS, the Board of Directors of the Hesperia Water District has reviewed the 2019-20 Mid-Year Budget Review information and analysis and has found it acceptable; and

WHEREAS, the Board of Directors of the Hesperia Water District has reviewed and approves budget amendments included in the 2019-20 Mid-Year Budget Review.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HESPERIA WATER DISTRICT AS FOLLOWS:

Section 1. That the recitals above are true and correct and adopted as findings.

Section 2. That the Board of Directors of the Hesperia Water District approves the 2019-20 Mid-Year Budget Review and budget amendments.

Section 3. That the Board of Directors approves the expenditure amendments by making the following appropriations:

▪ Risk Assessment & Emergency Response Plan (700-4070-7749)	\$210,000
▪ Repairs to Manholes on Bear Valley Road (711-9022-7500)	<u>57,450</u>
Total	\$267,450

Section 4. That the Board of Directors approves the following position classification changes included in the 2019-20 Mid-Year Budget Review as follows:

Section 4a. That the City Council approves retitling the Assistant to the City Manager position with the reclassified Deputy City Manager position with added duties, which is an Unclassified/At-Will, Senior Management, non-represented position with an Employment Agreement, with the salary range of 45.

Section 4b. That the Board of Directors approves the reclassification of the Public Works Supervisor/Water position (Range 40) to the new title of Public Works Superintendent position, which is a non-represented position in the management classification, with a salary range of 42.

Section 4c. That the City Council approves the reclassification of the Facilities Maintenance Technician position, which is a part-time, non-represented position (Range 32) to a full-time, represented classification position (Range 12).

Section 5. 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 18th day of February 2020.

ATTEST:

Larry Bird, Chair

Melinda Sayre, Secretary to the Board