cog
Council of Governments

cta
County Transportation Authority

AGENDA
Mountain/Desert Policy Committee

August 21, 2026

9:30 AM
Location

Mojave Desert Air Quality Management District
14306 Park Avenue, Victorville, CA 92392

TELECONFERENCING WILL BE AVAILABLE AT THE FOLLOWING LOCATION:

Needles City Hall
817 Third Street
Needles, CA 92363

Mountain/Desert Policy Committee Membership

Chair
Timothy Silva, Mayor
City of Barstow

Vice Chair
Daniel Ramos, Mayor Pro Tem
City of Adelanto

Art Bishop, Council Member
Town of Apple Valley

Rick Herrick, Council Member
City of Big Bear Lake

Josh Pullen, Mayor Pro Tem
City of Hesperia

Janet Jernigan, Mayor
City of Needles

Daniel Mintz, Sr., Mayor
City of Twentynine Palms

Bob Harriman, Mayor Pro Tem
City of Victorville

Rick Denison, Council Member
Town of Yucca Valley

Paul Cook, Supervisor
County of San Bernardino

Dawn Rowe, Supervisor
County of San Bernardino

San Bernardino County Transportation Authority
San Bernardino Council of Governments

AGENDA

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Items listed on the agenda are intended to give notice to members of the public of a general description of matters to be discussed or acted upon. The posting of the recommended actions does not indicate what action will be taken. The Board may take any action that it deems to be appropriate on the agenda item and is not limited in any way by the notice of the recommended action.

To obtain additional information on any items, please contact the staff person listed under each item. You are encouraged to obtain any clarifying information prior to the meeting to allow the Board to move expeditiously in its deliberations. Additional ***"Meeting Procedures"*** and agenda explanations are attached to the end of this agenda.

CALL TO ORDER

(Meeting Chaired by Timothy Silva)

i. Pledge of Allegiance
ii. Attendance
iii. Announcements
iv. Agenda Notices/Modifications - Daishanae Lee

Public Comment

Brief Comments from the General Public

Possible Conflict of Interest Issues

Note agenda item contractors, subcontractors and agents which may require member abstentions due to conflict of interest and financial interests. Board Member abstentions shall be stated under this item for recordation on the appropriate item.

1. **Information Relative to Possible Conflict of Interest** Pg. 9

   Note agenda items and contractors/subcontractors, which may require member abstentions due to possible conflicts of interest.

   This item is prepared monthly for review by Board and Committee members.

DISCUSSION ITEMS

Discussion - Regional/Subregional Planning

2. **Bear Valley Road Smart Corridor Project Update** Pg. 10

   Receive an update on the Bear Valley Road Smart Corridor Project.
   Presenter: Richard Berger

   This item is not scheduled for review by any other policy committee or technical advisory committee.

Discussion - Council of Governments

3. **High Desert Energy Generation Study** Pg. 18

   That the Mountain/Desert Policy Committee recommend the Board, acting as San Bernardino Council of Governments (SBCOG):

   A. Receive an update on the proposed scope of work for the High Desert Energy Generation Study.

   B. Provide direction to SBCOG staff as appropriate.
   Presenter: Monique Reza-Arellano

   This item is not scheduled for review by any other policy committee or technical advisory committee.

Discussion - Transportation Programming and Fund Administration

4. **Measure I Strategic Plan Policy Revisions** Pg. 25

   That the Mountain/Desert Policy Committee recommend the Board, acting as the San Bernardino County Transportation Authority (SBCTA):

   A. Revise SBCTA Measure I 2010-2040 Strategic Plan Policy 40005 – Valley Freeway Interchange (VFI) Program, Policy VFI-34 to require a sponsoring agency that desires SBCTA to provide project management responsibilities to submit a written request to the SBCTA Executive Director and obtain approval by the SBCTA Board of Directors prior to the initiation of the design phase.

   B. Authorize the Executive Director, or her designee, to make substantially similar changes as approved in Recommendation A to Measure I 2010-2040 Strategic Plan Policies 40006 Valley Major Street Program, 40013 Victor Valley Major Local Highways Program, and 40017 Rural Mountain/Desert Subareas Major Local Highways Program, subject to approval as to form by SBCTA General Counsel.
   Presenter: James Mejia

   A similar item will be presented at the Board of Directors Metro Valley Study Session on August 13, 2026. SBCTA General Counsel has reviewed this item and the revised policy.

5. **Air Expressway Rehabilitation Phase I Project Funding Agreement No. 26-1003494** Pg. 45

That the Mountain/Desert Policy Committee recommend the Board, acting as the San Bernardino County Transportation Authority:

A. Allocate $985,865 in Victor Valley Major Local Highway Program Public Share funds to the City of Adelanto for the Air Expressway Rehabilitation Phase I Project.

B. Approve Funding Agreement No. 26-1003494 with the City of Adelanto for Air Expressway Rehabilitation Phase I Project in the amount of $2,701,000, to be funded with $985,865 in Public Share funds and $1,715,135 in City funds.
Presenter: Nohemi Moran

This item is not scheduled for review by any other policy committee or technical advisory committee. SBCTA General Counsel has reviewed this item and the draft agreement.

6. **Mojave Drive Project Funding Agreement No. 26-1003488** Pg. 57

That the Mountain/Desert Policy Committee recommend the Board, acting as the San Bernardino County Transportation Authority:

Approve Funding Agreement No. 26-1003488 with the City of Victorville for Mojave Drive Improvements Project in the amount of $8,875,000. The Public Share amount of $4,526,250 will be funded with Federal Surface Transportation Block Grant funds.
Presenter: Nohemi Moran

This item is not scheduled for review by any other policy committee or technical advisory committee. SBCTA General Counsel has reviewed this item and the draft agreement.

Comments from Board Members

Brief Comments from Board Members

ADJOURNMENT

Additional Information

The next Mountain/Desert Policy Committee meeting is scheduled for September 18, 2026.

Meeting Procedures and Rules of Conduct

Meeting Procedures - The Ralph M. Brown Act is the state law which guarantees the public's right to attend and participate in meetings of local legislative bodies. These rules have been adopted by the Board of Directors in accordance with the Brown Act, Government Code 54950 et seq., and shall apply at all meetings of the Board of Directors and Policy Committees.

Accessibility & Language Assistance - The meeting facility is accessible to persons with disabilities. A designated area is reserved with a microphone that is ADA accessible for public speaking. A designated section is available for wheelchairs in the west side of the boardroom gallery. If assistive listening devices, other auxiliary aids or language assistance services are needed in order to participate in the public meeting, requests should be made through the Clerk of the Board at least three (3) business days prior to the Board meeting. The Clerk can be reached by phone at (909) 884-8276 or via email at clerkoftheboard@gosbcta.com and the office is located at 1170 W. 3rd Street, 2nd Floor, San Bernardino, CA.

Service animals are permitted on SBCTA's premises. The ADA defines service animals as dogs or miniature horses that are individually trained to do work or perform tasks for people with disabilities. Under the ADA, service animals must be harnessed, leashed, or tethered, unless these devices interfere with the service animal's work, or the individual's disability prevents using these devices. In that case, the individual must maintain control of the animal through voice, signal, or other effective controls.

Members of the Board of Directors and any Policy Committee with a disability may participate in any meetings of their respective legislative bodies by remote participation as a reasonable accommodation in accordance with Government Code Sec. 54953(c).

Accesibilidad y asistencia en otros idiomas - Las personas con discapacidad pueden acceder a la sala de reuniones. Se reserva una zona designada con un micrófono accesible que cumple con los requisitos de la ADA para hablar en público. Una sección designada está disponible para sillas de ruedas en el lado oeste de la galería de la sala de reuniones. Si se necesitan dispositivos de ayuda auditiva, otras ayudas auxiliares o servicios de asistencia en otros idiomas para participar en la reunión pública, las solicitudes deben presentarse al Secretario de la Junta al menos tres (3) días hábiles antes de la fecha de la reunión de la Junta. Puede comunicarse con el Secretario llamando al (909) 884-8276 o enviando un correo electrónico a clerkoftheboard@gosbcta.com. La oficina se encuentra en 1170 W. 3rd Street, 2nd Floor, San Bernardino, CA.

Los animales de servicio están permitidos en las instalaciones de SBCTA. La ADA define a los animales de servicio como perros o caballos miniatura que son entrenados individualmente para hacer trabajo o realizar tareas para personas con discapacidades. Según la ADA, los animales de servicio deben tener un arnés o ser atados, a menos que estos dispositivos interfieran con el trabajo del animal de servicio, o que la discapacidad de la persona impida el uso de estos dispositivos. En ese caso, la persona debe mantener el control del animal a través de su voz, señales u otros controles efectivos.

Los miembros de la Junta Directiva y de cualquier Comité de Políticas que tengan una discapacidad podrán participar en cualquier reunion de sus respectivos órganos legislativos mediante participación remota como una adaptación razonable de conformidad con el artículo 54953(c) del Código de Gobierno.

Agendas – All agendas are posted at www.gosbcta.com/board/meetings-agendas/ at least 72 hours in advance of the meeting. Staff reports related to agenda items may be reviewed online at that web address. Agendas are also posted at 1170 W. 3rd Street, 1st Floor, San Bernardino at least 72 hours in advance of the meeting.

Agenda Actions – Items listed on both the "Consent Calendar" and "Discussion" contain recommended actions. The Board of Directors will generally consider items in the order listed on the agenda. However, items may be considered in any order. New agenda items can be added and action taken as provided in the Ralph M. Brown Act Government Code Sec. 54954.2(b).

Closed Session Agenda Items – Consideration of closed session items excludes members of the public. These items include issues related to personnel, pending litigation, labor negotiations and real estate negotiations. Prior to each closed session, the President of the Board or Committee Chair ("President") will announce the subject matter of the closed session. If reportable action is taken in closed session, the President shall report the action to the public at the conclusion of the closed session.

Public Testimony on an Item – Members of the public are afforded an opportunity to speak on any listed item. Individuals in attendance at SBCTA who desire to speak on an item may complete and turn in a "Request to Speak" form, specifying each item an individual wishes to speak on. Individuals may also indicate their desire to speak on an agenda item when the President asks for public comment. When recognized by the President, speakers should be prepared to step forward and announce their name for the record. In the interest of facilitating the business of the Board, speakers are limited to three (3) minutes on each item. Additionally, a twelve (12) minute limitation is established for the total amount of time any one individual may address the Board at any one meeting. The President or a majority of the Board may establish a different time limit as appropriate, and parties to agenda items shall not be subject to the time limitations. Any individual who wishes to share written information with the Board may provide 35 copies to the Clerk of the Board for distribution. If providing written information for distribution to the Board, such information must be emailed to the Clerk of the Board, at clerkoftheboard@gosbcta.com, no later than 2:00 pm the day before the meeting in order to allow sufficient time to distribute the information. Written information received after the 2:00 pm deadline will not be distributed. Information provided as public testimony is not read into the record by the Clerk. Consent Calendar items can be pulled at Board member request and will be brought up individually at the specified time in the agenda. Any consent item that is pulled for discussion shall be treated as a discussion item, allowing further public comment from any members of the public who haven't already commented on the item during the meeting.

Public Comment –An opportunity is also provided for members of the public to speak on any subject within the Board's jurisdiction. Matters raised under "Public Comment" will not be acted upon at that meeting. See "Public Testimony on an Item" and "Agenda Actions", above.

Disruptive or Prohibited Conduct – If any meeting of the Board is willfully disrupted by a person or by a group of persons so as to render the orderly conduct of the meeting impossible, the President may recess the meeting or order the person, group or groups of person willfully disrupting the meeting to leave the meeting or to be removed from the meeting. Disruptive or prohibited conduct includes without limitation addressing the Board without first being recognized, not addressing the subject before the Board, repetitiously addressing the same subject, failing to relinquish the podium when requested to do so, bringing into the meeting any type of object that could be used as a weapon, including without limitation sticks affixed to signs, or otherwise preventing the Board from conducting its meeting in an orderly manner.

Your cooperation is appreciated!

General Practices for Conducting Meetings

of

Board of Directors and Policy Committees

Attendance.

- The President of the Board or Chair of a Policy Committee (Chair) has the option of taking attendance by Roll Call. If attendance is taken by Roll Call, the Clerk of the Board will call out by jurisdiction or supervisorial district. The Member or Alternate will respond by stating his/her name.
- A Member/Alternate who arrives after attendance is taken shall announce his/her name prior to voting on any item.
- A Member/Alternate who wishes to leave the meeting after attendance is taken but before remaining items are voted on shall announce his/her name and that he/she is leaving the meeting.

Basic Agenda Item Discussion.

- The Chair announces the agenda item number and states the subject.
- The Chair calls upon the appropriate staff member or Board Member to report on the item.
- The Chair asks members of the Board/Committee if they have any questions or comments on the item. General discussion ensues.
- The Chair calls for public comment based on "Request to Speak" forms which may be submitted.
- Following public comment, the Chair announces that public comment is closed and asks if there is any further discussion by members of the Board/Committee.
- The Chair calls for a motion from members of the Board/Committee. Upon a motion, the Chair announces the name of the member who makes the motion. Motions require a second by a member of the Board/Committee. Upon a second, the Chair announces the name of the Member who made the second, and the vote is taken.
- The "aye" votes in favor of the motion shall be made collectively. Any Member who wishes to oppose or abstain from voting on the motion shall individually and orally state the Member's "nay" vote or abstention. Members present who do not individually and orally state their "nay" vote or abstention shall be deemed, and reported to the public, to have voted "aye" on the motion.
- Votes at teleconferenced meetings shall be by roll call, pursuant to the Brown Act, or, at any meeting, upon the demand of five official representatives present or at the discretion of the presiding officer.

The Vote as specified in the SBCTA Administrative Code and SANBAG Bylaws.

- Each Member of the Board of Directors shall have one vote. In the absence of the official representative, the Alternate shall be entitled to vote. (Note that Alternates may vote only at meetings of the Board of Directors, Metro Valley Study Session and Mountain/Desert Policy Committee.)

Amendment or Substitute Motion.

- Occasionally a Board Member offers a substitute motion before the vote on a previous motion. In instances where there is a motion and a second, the Chair shall ask the maker of the original motion if he or she would like to amend the motion to include the substitution or withdraw the motion on the floor. If the maker of the original motion does not want to amend or withdraw, the substitute motion is voted upon first, and if it fails, then the original motion is considered.
- Occasionally, a motion dies for lack of a second.

Call for the Question.

- At times, a Member of the Board/Committee may "Call for the Question."
- Upon a "Call for the Question," the Chair may order that the debate stop or may allow for limited further comment to provide clarity on the proceedings.
- Alternatively, and at the Chair's discretion, the Chair may call for a vote of the Board/Committee to determine whether or not debate is stopped.
- The Chair re-states the motion before the Board/Committee and calls for the vote on the item.

The Chair.

- At all times, meetings are conducted in accordance with the Chair's direction.
- These general practices provide guidelines for orderly conduct.
- From time to time, circumstances may require deviation from general practice (but not from the Brown Act or agency policy).
- Deviation from general practice is at the discretion of the Chair.

Courtesy and Decorum.

- These general practices provide for business of the Board/Committee to be conducted efficiently, fairly and with full participation.
- It is the responsibility of the Chair and Members to maintain common courtesy and decorum.

Adopted By SANBAG Board of Directors January 2008
Revised March 2014
Revised May 4, 2016
Revised June 7, 2023

Minute Action

AGENDA ITEM: 1

Date: August 21, 2026

Subject:
Information Relative to Possible Conflict of Interest

Recommendation:
Note agenda items and contractors/subcontractors, which may require member abstentions due to possible conflicts of interest.

Background:
In accordance with California Government Code 84308, members of the Board may not participate in any action concerning a contract where they have received a campaign contribution of more than $500 in the prior twelve months from an entity or individual, except for the initial award of a competitively bid public works contract. This agenda contains recommendations for action relative to the following contractors:

Item No.	Contract No.	Principals & Agents	Subcontractors
		None	

Financial Impact:
This item has no direct impact on the budget.

Reviewed By:
This item is prepared monthly for review by Board and Committee members.

Responsible Staff:
Ryan Graham, Director of Fund Administration

Approved
Mountain-Desert Committee
Date: August 21, 2026

Witnessed By:

Entity: San Bernardino Council of Governments, San Bernardino County Transportation Authority

Minute Action

AGENDA ITEM: 2

Date:* *August 21, 2026

Subject:
Bear Valley Road Smart Corridor Project Update

Recommendation:
Receive an update on the Bear Valley Road Smart Corridor Project.

Background:
In December 2024, the San Bernardino County Transportation Authority developed the Smart County Master Plan (SCMP) to serve as a regional guide for identifying and prioritizing projects that improve infrastructure and telecommunications. One strategy included in the SCMP was the implementation of "smart corridors" consisting of coordinated Intelligent Transportation Systems (ITS) that respond to real-time traffic with synchronized signal timing and Transit Signal Priority, for example, "queue jumps" for busses at intersections. Several smart corridor candidates were identified throughout the County, with Bear Valley Road standing out as a priority in the High Desert.

Bear Valley Road is a major east-west corridor serving the Cities of Victorville and Hesperia (Cities), and the Town of Apple Valley (Town), providing a direct connection to Interstate 15, carrying some of the highest traffic volumes in the High Desert. The corridor supports regional travel demand, including local and regional transportation, goods movement, and Victor Valley Transit Authority (VVTA) fixed routes and on-demand transit services.

The Bear Valley Road ITS Planning Project, which runs along Bear Valley Road between Amargosa Road and Navajo Road (Project), was created to deliver the requirements outlined in the SCMP. The Project scope of work includes planning and preliminary engineering and is currently being conducted by Fehr and Peers (Project Team) using Contract Task Order 22.

To date, the Project Team has coordinated with the California Department of Transportation (Caltrans) District 8, the Cities, Town, and VVTA to establish shared common traffic signal equipment, communication, and data standards to define the operational and performance requirements for regional ITS deployment. Additionally, the team has completed the existing conditions assessment, which includes a travel time and reliability analysis, a five-year safety analysis, and a phased implementation plan that prioritizes improvements based on readiness, operational need, and long-term system resiliency.

The Project Team is currently conducting a detailed traffic simulation analysis to evaluate corridor performance under future conditions and proposed operational strategies, expected to be completed by December 31, 2027. These results, along with data already gathered, will support signal timing improvements to optimize corridor progression in the short term, and future engagement with Caltrans to identify long-term infrastructure improvements needed to address growing travel demand, where staff anticipate a multi-year project development process under Caltrans oversight.

Next, the Project Team will develop a key performance indicator framework to track vehicle progression, safety, and transit outcomes.

Entity: San Bernardino County Transportation Authority

Financial Impact:
This item has no financial impact on the adopted Budget for Fiscal Year 2026/2027.

Reviewed By:
This item is not scheduled for review by any other policy committee or technical advisory committee.

Responsible Staff:
Richard Berger, Planning Manager

Approved
Mountain-Desert Committee
Date: August 21, 2026

Witnessed By:

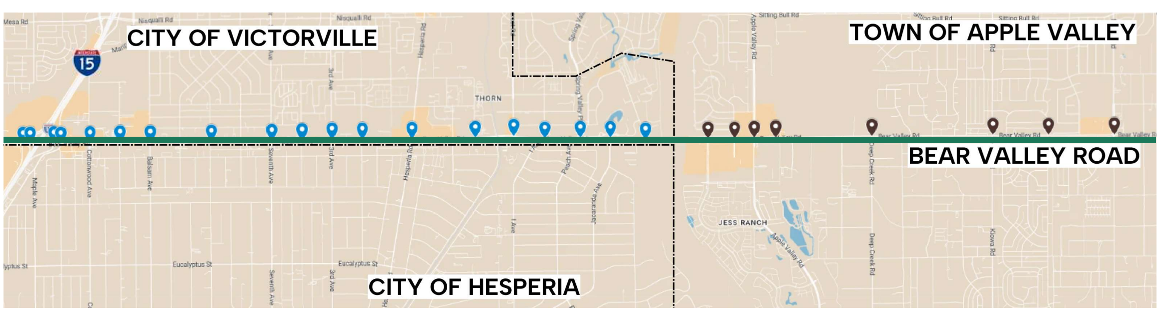
Bear Valley Road Smart Corridor

Project Update

SBCTA Mountain/Desert Committee | August 2026

Project Overview

- **10-mile arterial** from Amargosa Road to Central Road
- **27 signalized intersections**
- **3 local jurisdictions** Victorville, Hesperia, & Apple Valley
- **Caltrans coordination** at I-15



Project Overview

Why Bear Valley Road?

Standardization

- Regional Arterial
- Multi-jurisdictional
- Standardize equipment
- Planning to Implementation
- Identify funding opportunities

Communication

- Close fiber and wireless gaps
- Develop central systems
- Improve access & reliability

Operation

- Improve vehicle progression
- Enhance traffic safety
- Support transit operations
- Enable future technology

Agency Engagement & Feedback

Stakeholders Engaged

- Caltrans District 8
- City of Victorville
- City of Hesperia
- Town of Apple Valley
- VVTA

What We Heard

- Network security
- Agency control
- Operation & Maintenance
- Strong willingness to collaborate

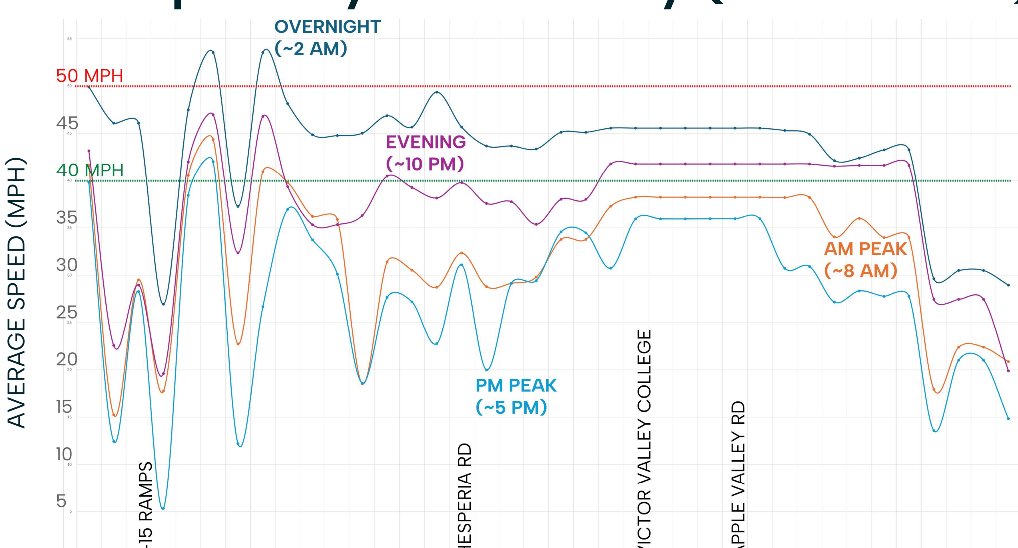
Early Win

A well-timed partnership secured a permanent backbone across the Mojave River

- Aligned efforts
- A decisive revision
- Lasting value
- Mutual benefit

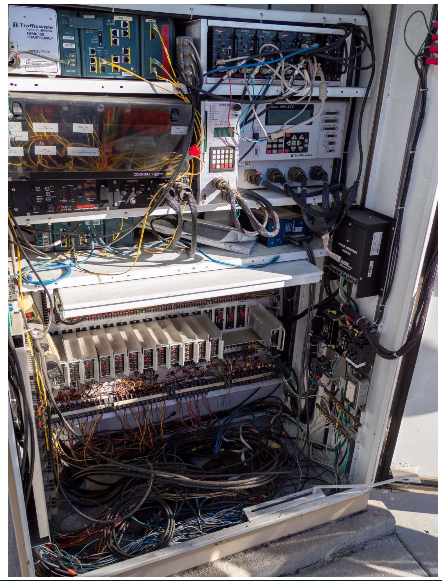
Mojave River Bridge

Travel Speed by Time of Day (Westbound)



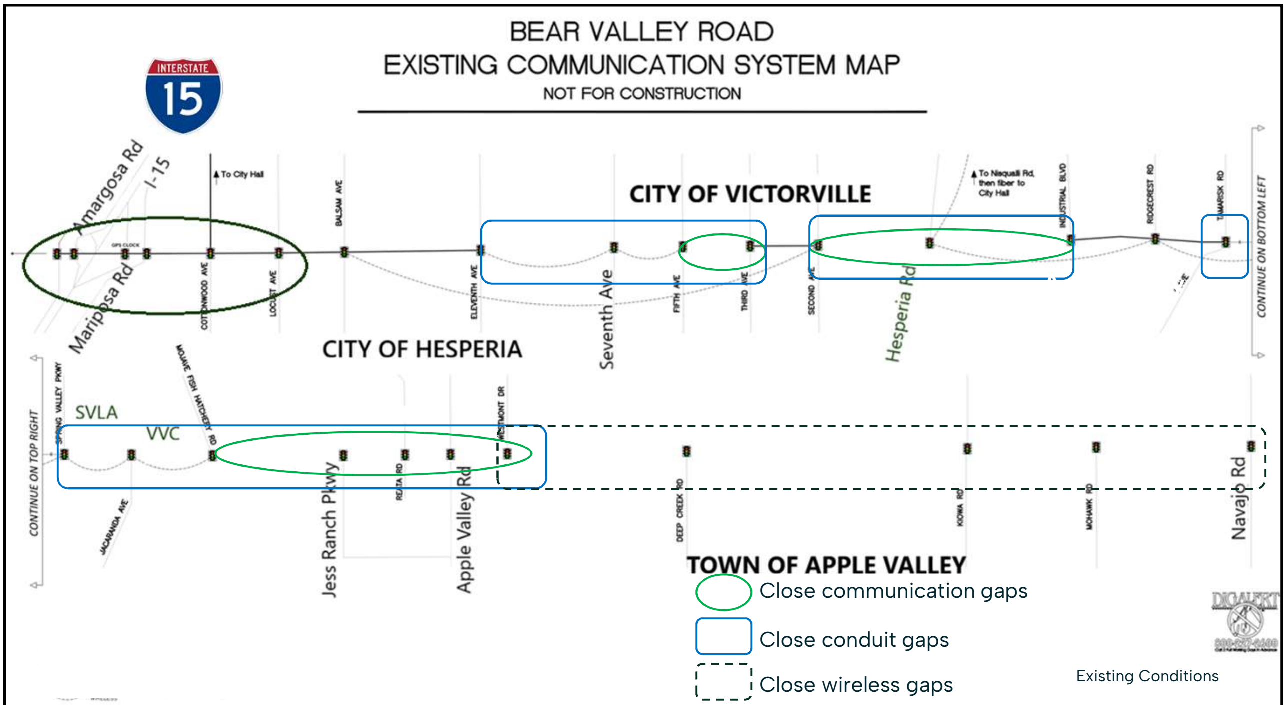
Signal Inventory

- Cabinets
- Controllers
- Detection
- Communications
- Verified with agency staff and in the field



Amargosa Rd traffic signal cabinet (NEMA)

Existing Conditions



Existing Conditions

Recommended Improvements

- Close communication gaps
- Modernize field hardware
- Restore and expand Central Management System
- Signal Synchronization
- Transit Signal Priority Readiness
- Evaluate needed geometric improvements

Aerial of the I-15 interchange at Bear Valley Road

Phasing & Approach

Prioritization

- Based on operational need, funding, and construction windows
- Improve infrastructure readiness
- Maximizing benefits

Near-Term (0–3 yrs)

Mid-Term (3–5 yrs)

Long-Term

I-15 interchange southbound offramp traffic signal (TEES)

Schedule & Next Steps

Fall 2026 → Spring 2027

In Progress

- Traffic Assessment
- Finalize Recommendations
- Develop Timing Improvements
- Regional Workshop (8/26)

Next Steps

- Vendor & Technology Evaluation
- Identify Long-Term Geometric Needs
- Preliminary Design

Minute Action

AGENDA ITEM: 3

Date: August 21, 2026

Subject:
High Desert Energy Generation Study

Recommendation:
That the Mountain/Desert Policy Committee recommend the Board, acting as San Bernardino Council of Governments (SBCOG):

A. Receive an update on the proposed scope of work for the High Desert Energy Generation Study.

B. Provide direction to SBCOG staff as appropriate.

Background:
The San Bernardino Council of Governments (SBCOG) has been tasked with determining the interest of the North and High Desert subregions in exploring opportunities to expand clean energy generation in the High Desert region, addressing both current limitations and future demand for reliable power. The North and High Desert subregions are recognized as optimal sites due to growing population, economic development needs, and frequent rolling blackouts during peak periods. Existing utility companies are operating at capacity, with lengthy waitlists for service expansion, underscoring the urgency for new solutions.

In the fall of 2025, SBCOG hosted a forum which brought together City Managers, County Officials, and utility experts to examine the feasibility of local governments playing a more active role in energy procurement and production. Participants in the meeting included SBCOG Board Members, City Managers, Utility Staff, County Supervisor staff, and technical staff from every member agency in the North and High Desert. Based on the discussion, staff developed a scope of work and sought a cost estimate. The attached scope details the elements required for a comprehensive feasibility study, including:

- Analysis of existing conditions and municipal utility landscape
- Resource and technology assessment (solar, wind, natural gas, geothermal)
- Site screening and land status evaluation
- Interconnection, grid, and market analysis
- Ownership, governance, and finance models
- Economics, jobs, and community benefits analysis
- Implementation phasing and risk assessment
- Stakeholder engagement and outreach plan

Based on the scope, the project study would be broken into two phases. The initial phase would provide an understanding of energy generation options, generation sites, the cost/benefit of the options, and governance and finance models. The second phase would be a deep dive into how to proceed and include only those agencies interested in pursuing the project based on the findings of the initial phase. The cost for the study would range from $1.5-$2 million. The cost of the study would be considered a Subscription Service program because it is specific to one area of the region and would need to be borne by the agencies interested in moving it forward. The other option for funding would be for SBCOG to seek out grant opportunities to fund the study. The San Bernardino Regional Housing Trust is an example of a combined Subscription

Service grant model, wherein the planning phase and initial implementation were funded by grants, and the ongoing operating cost is borne by the participating agencies.

Staff requests direction from the Mountain/Desert Policy Committee, and ultimately the Board of Directors on whether it sees value in moving the study forward at this time.

Financial Impact:
This item has no financial impact on the adopted Budget for Fiscal Year 2026/2027.

Reviewed By:
This item is not scheduled for review by any other policy committee or technical advisory committee.

Responsible Staff:
Monique Reza-Arellano, Director of Council of Governments

Approved
Mountain-Desert Committee
Date: August 21, 2026

Witnessed By:

SBCOG North and High Desert Clean Energy Study Scope

Project Concept:

The San Bernardino Council of Governments (SBCOG) has been directed to address the need for increased energy production in California understanding the current limitations of the current energy grid. The North and High Desert subregions were identified as an ideal geographic area to study for the implementation of potential clean energy generation projects and sites. SBCOG has been tasked to lead an effort to determine if there is interest by the jurisdictions in the North and High Deserts to identify opportunities to build capacity in clean energy generation with the intent of benefiting the need of current rate payers, future rate payers, and the allow for the economic development of the subregion. This scope of work is for the completion of a feasibility study which includes determining opportunities for existing utilities, potential utility governance structures, local agency governance structures, clean energy options, economic benefits analysis, and risk analysis.

Project Need:

Energy needs do not meet the demand of current users, and utility companies are at capacity with decades-long waitlists for expanding to meet the needs of growth as identified in the many city and county general plans and population increases that are projected to 2045. Existing limitations of the current energy grid are vast, and during peak energy need periods, residents are met with rolling black outs. Additionally, economic development and the growing populations in the High Desert require increased energy.

Building, administering, and maintaining clean energy generation projects in the North and High Desert where demand for energy does not meet the current supply and demand will only increase. Increased energy production is needed throughout the State of California, and the North and High Desert is an optimal site for current and future demands to be addressed.

Regional Participants:

- San Bernadino County
- City of Adelanto
- City of Hesperia
- City of Victorville
- Town of Apple Valley
- City of Barstow
- Existing municipal utility organizations

General Scoping Elements Discussed:

1. Governance + Regulation

2. Energy Availability versus Energy Demand
3. Site Analysis/Suitability + Land Acquisition
4. Financial Planning and Financial Sustainability
5. Which energy source: Solar, Wind, Natural gas, geothermal, etc.

Scope Components

Task 1: Project Management and Administration

1.1 Project Management

This task includes management and administration activities that will be provided by the Consultant consistent with the technical scope of services and with the requirements of SBCOG. Project Management includes the management and leadership effort required to successfully guide the multi-disciplined team through the scope of services. Project Management also includes meeting the requirements of the approved quality assurance and quality control (QA/QC) process to ensure that deliverables are produced to appropriate standard of care in terms of correctness, timeliness, and appropriateness of the information contained in each deliverable item. Elements of Project Management include management and coordination with project stakeholders, including SBCOG, member agencies, municipal utilities; administration, reporting, quality control (QC), safety; and cost/schedule monitoring and control. The Consultant team's Project Manager (PM) will be the single point of contact with SBCOG in regard to task administration and will be responsible for all aspects of the project, including the quality of the design and the delivery of the project milestones within schedule and budget.

1.2 Project Administration

Consultant will perform administrative functions associated with the on-going management of the contract task order as it relates to the work herein. Activities include but are not limited to routine contract administration, developing invoices, setting up meetings, preparing meeting agendas, taking and distributing meeting minutes, developing and tracking action items, scheduling activities, reproducing and distributing deliverables, monitoring budget and closing out task orders, among other activities.

1.3 Quality Assurance

Consultant will define planned and systematic actions that provide adequate confidence to Consultant management and its client that an activity or service consistently fulfills the requirements for its intended purpose and the quality standards of SBCOG. Quality review shall be provided to ensure adequacy of reports and deliverables consistent with professional formats.

Task 2.0 Feasibility Study

Task 2.1: Existing conditions report

a. Analysis of existing municipal and utility landscape in the North and High Desert.
b. Analysis of existing use
c. Analysis of agency build out plans, population increase, and future energy need.

d. Analysis of existing legislation governing utilities.

Deliverable: Memo report of existing conditions among the cities, municipal utilities, and private utilities.

Task 2.2: Assessment

Resource and technology assessment of energy options. Consultant will study up to four clean energy sources that could be options and methods for implementation by the High Desert municipal utilities. Analysis of clean energy options to be considered to generate energy

a. Analysis of regulations governing energy generation and public utility constraints
b. Cost/Benefit Analysis
c. Risk Analysis
d. Case studies identifying lessons learned and application of lessons for chosen energy source study. Study might include the following:

    i. Solar: Site specific solar resource characterization (GHI/DNI) expected capacity factor, layout optimization, tracker vs fixed tilt tradeoffs, and solar plus storage configuration similar to Baldy Mesa and High Desert Solar.
    ii. Natural gas/firming: Technology selection (simple vs combined cycle, reciprocating engines, or upgrades to existing High Desert Power Project type assets), heat rate and emissions performance modeling, and integration with renewables, following the High Desert Power and Siemens upgrade study approach.
    iii. Geothermal: Geographic Information System (GIS) and field-based resource assessment using geologic mapping, existing temperature gradient wells, and geophysical data as demonstrated in United States Geological Survey (USGS) Golden Valley area work and CEC geothermal project scopes.

Deliverable: Technical Memo with recommendations for preferred method identified for energy generation

Task 2.3 Site Screening and land Status

a. Analysis of sites and land that can be used for establishment of the energy generation project(s). Identification of planning need, permits, ownership process/land authorization.

    i. Land ownership and jurisdiction mapping (County, city, tribal, BLM, DoD, private), development focus/conservation designations under DRECP, and consistency with San Bernardino County's RECE and solar ordinance.
    ii. Constraints mapping: biological preserves, critical habitat, floodplains and washes, cultural resource sensitivity, visual/scenic corridors, and recreation areas, as routinely done in Overnight Solar and High Desert Solar EIRs.

Deliverable: Recommendation for use of land/sites, method for use, toolkit of agreements, MOUs and other needed documents

Task 2.4 Interconnection, grid, and market analysis

a. Grid: Feasibility of interconnection to Southern California Edison (SCE)/California Independent System Operator (CAISO) at substations like Roadway or regional 230/500kV lines, using methods applied for Baldy Mesa and High Desert Solar (interconnection queue review, preliminary power flow and short circuit screening).
b. Market: Evaluation of CAISO market value, Resource Adequacy (RA)/Effective Load Carrying Capacity (ELCC) for solar plus storage and geothermal, and resource adequacy contribution of a High Desert Power type gas plant under CPUC/CEC planning frameworks.
c. Microgrids and resilience: Module for township scale microgrids, borrowing structure from California community microgrid guidelines (e.g., California Public Utilities Commission (CPUC)/SCE materials) and other desert microgrid examples; this can be a specific task to look at critical facilities in High Desert towns.
d. Wind Turbine Options: Analysis of project implementation, connectivity, and cost/benefit.

Deliverable: Memo/Report

Task 2.5 Ownership, Governance, and Finance Models

a. Comparative analysis of structures that combine private and public ownership.

    i. Review of public/private partnership models and joint ownership structures used in High Desert and Mojave projects (e.g., Department of Energy (DOE)–TerraGen public/private partnership at Edwards Sanborn and corporate off taker models like Amazon's Baldy Mesa and Metalinked solar portfolios).
    ii. Evaluation of options such as community solar/ "CORE" facilities (drawing from Lear Solar), County or Joint Powers Authority (JPA)-owned assets, tribal partnerships, and corporate offtake structures.
    iii. Financing tools: power purchase agreements, tax equity and transferability, state incentives (California Energy Commission (CEC) programs, CPUC procurement orders), green bonds, and potential use of federal programs for Bureau of Land Management (BLM) or disadvantaged communities;

Deliverable: Recommendation for governance structure, regional or independent utility agency.

Task 2.6 Economic, Jobs, and Local Benefits Analysis

a. Complete a local economic impact model that includes construction, O&M Jobs, tax revenues, and community benefits.
b. Assessment of ratepayer and community cost/benefit analysis including resilience, reliability, and avoided outage costs, using techniques discussed in microgrid and renewable planning models

Task 3: Report and Process for Implementation Phasing, Implementation Roadmap, and Risk Analysis

Task 3.1: Provide a process by which the project(s) and governance structure could be implemented. Include phasing, needs for each phase, plan for each phase, phase constraints and risk, and timeline for the phases.

a. Phased buildout scenarios across multiple High Desert sites, distinguishing near term “no regrets” solar plus storage on disturbed or zoned lands from longer term geothermal or gas modernization options.
b. Risk and fatal flaw analysis: environmental showstoppers under Desert Renewable Energy Conservation Plan (DRECP), interconnection constraints, water supply limits, permitting timelines, and community opposition, again drawing structure from the Overnight Solar Environmental Impact Report (EIR) and BLM/CEC dockets

Deliverable:

- Report with recommended energy generation option, recommended governance structure, and a process for implementation and recommended project and programs leads.
- Memo: A step-by-step process for proceeding with implementation.

Task 4: Partner and Stakeholder Engagement

Task 4.1: Identify all potential partners and stakeholders

Task 4.2: Prepare and implement a robust outreach plan to engage identified partners and stakeholders throughout the feasibility study process.

Deliverable:

- Memo including list of all potential partners and stakeholders
- Outreach plan including implementation strategy, milestones, and collateral

Minute Action

AGENDA ITEM: 4

Date: August 21, 2026

Subject:
Measure I Strategic Plan Policy Revisions

Recommendation:
That the Mountain/Desert Policy Committee recommend the Board, acting as the San Bernardino County Transportation Authority (SBCTA):

A. Revise SBCTA Measure I 2010-2040 Strategic Plan Policy 40005 – Valley Freeway Interchange (VFI) Program, Policy VFI-34 to require a sponsoring agency that desires SBCTA to provide project management responsibilities to submit a written request to the SBCTA Executive Director and obtain approval by the SBCTA Board of Directors prior to the initiation of the design phase.

B. Authorize the Executive Director, or her designee, to make substantially similar changes as approved in Recommendation A to Measure I 2010-2040 Strategic Plan Policies 40006 Valley Major Street Program, 40013 Victor Valley Major Local Highways Program, and 40017 Rural Mountain/Desert Subareas Major Local Highways Program, subject to approval as to form by SBCTA General Counsel.

Background:
This item is presented to the Mountain/Desert Policy Committee for consideration because Recommendation B would have an impact on programs within the purview of the Committee. Policy 40013 Victor Valley Major Local Highways Program and Policy 40017 Rural Mountain/Desert Subareas Major Local Highway Program would be updated in a substantially similar manner as Policy 40005 Valley Freeway Interchange (VFI) Program for the reasons discussed below.

The San Bernardino County Transportation Authority (SBCTA) Policy 40005 delineates the requirements for administration of the VFI Program for Measure I 2010-2040. The policy establishes the funding allocation process, reimbursement mechanisms, project eligibility and prioritization, limitations on eligible expenditures, the role of SBCTA in project delivery, and cost overrun responsibilities.

Approval of this item would revise Policy VFI-34, within Policy 40005. This revised policy language identifies the SBCTA Executive Director as the recipient for requests from sponsoring agencies for VFI project management and clarifies when the SBCTA Board of Directors may authorize project management for a VFI project by SBCTA.

The proposed amendment adds the following language as bullet point two: “The request for SBCTA management of an interchange project must be received prior to initiation of the design phase of the project.” The whole Policy 40005, including the additional language in track changes, is included as an attachment to this item.

SBCTA has internal processes and project controls in place for projects under its management. The request for and approval of SBCTA project management in advance of the design phase allows SBCTA to procure the engineering and project design consultant; coordinate right-of-way acquisitions and construction easements; relocate any utilities; obtain necessary permits; execute cooperative and funding agreements; and perform a design and constructability review in advance of releasing the project for a construction bid. The goal of this policy revision is to minimize the likelihood of project delays, design exceptions, construction change orders, and project cost overruns by coordinating the transition of project management responsibilities as early in the process as possible.

Approval of Recommendation B would authorize the Executive Director, or her designee, to make substantively similar changes, with approval as to form by SBCTA General Counsel, to the other programs that could result in a request by a jurisdiction for SBCTA management of a project. The policies to be revised include Policy 40006 Valley Major Street Program (including both the Grade Separation and Arterial Sub-programs), Policy 40013 Victor Valley Major Local Highways Program, and Policy 40017 Rural Mountain/Desert Subareas Major Local Highways Program. The action would provide continuity across Measure I 2010-2040 programs for local jurisdictions that wish to request SBCTA project management.

Financial Impact:
This item has no financial impact on the adopted Budget for Fiscal Year 2026/2027.

Reviewed By:
A similar item will be presented at the Board of Directors Metro Valley Study Session on August 13, 2026. SBCTA General Counsel has reviewed this item and the revised policy.

Responsible Staff:
James Mejia, Management Analyst III

Approved
Mountain-Desert Committee
Date: August 21, 2026

Witnessed By:

San Bernardino County Transportation Authority	**Policy**	**40005**
Adopted by the Board of Directors April 1, 2009	Revised	~~4/1~~9/2/2026
Valley Freeway Interchange (VFI) Program Measure I 2010-2040 Strategic Plan	Revision No.	~~6~~7

Important Notice: A hardcopy of this document may not be the document currently in effect. The current version is always the version on the SBCTA website.

Table of Contents

I. PURPOSE

The purpose of this policy is to delineate the requirements for administration of the Valley Freeway Interchange (VFI) Program for Measure I 2010-2040. The policy establishes the funding allocation process, reimbursement mechanisms, project eligibility and prioritization, limitations on eligible expenditures, the role of SBCTA in project delivery, and cost overrun responsibilities.

II. REFERENCES

Ordinance No. 04-01 of the San Bernardino County Transportation Authority, Exhibit A – Transportation Expenditure Plan

III. DEFINITIONS

Capital Projects Need Analysis (CPNA) – A five-year plan of capital project needs for each program included in the San Bernardino Valley Expenditure Plan. The CPNA includes estimates of project costs to be incurred by funding type, fiscal year, and phase for the five-year period following the beginning of the subsequent fiscal year.

Development Share– The percentage share of total project cost assigned as the development contribution percentage as listed in the SBCTA Nexus Study.

Public Share – The share of project cost calculated as the total cost of the project minus the developer share.

Sponsoring Agency – The jurisdiction with the majority share of development mitigation responsibility for projects included in the SBCTA Development Mitigation Nexus Study.

IV. POLICIES FOR THE VALLEY FREEWAY INTERCHANGE PROGRAM

A. Allocation of Measure I 2010-2040 Funding

Policy VFI-1: Initiation of project development work on freeway interchange projects shall be the responsibility of local jurisdictions, with the exception that project development work on interchange improvements required to enable the construction of freeway mainline projects may be initiated by SBCTA at the discretion of the Board of Directors (Board).

Policy VFI-2: The SBCTA Board shall allocate funding to specific Valley Freeway Interchange projects as nominated by sponsoring member agencies through their five-year CPNA or other collaborative efforts initiated by SBCTA or the sponsoring agency. SBCTA shall allocate funds to sponsors of interchange projects in order of project priority assigned through a prioritization methodology approved by SBCTA as documented in the Strategic Plan. Fund allocation shall anticipate the Measure I public share costs for subsequent years of a project so that the intent of Policy VFI-3 can be achieved. Funding for initial phases of projects of lesser priority may be deferred depending on the outcome of financial analysis in the 10-Year Delivery Plan. Full funding of the higher priority projects through construction shall be given priority.

Policy VFI-3: An allocation of funds to local agencies for the Project Approval and Environmental Documentation (PA/ED) phase or to a subsequent phase prior to construction shall represent a commitment by SBCTA to timely funding of the public share of the project through construction, subject to the availability of Measure I, State, and Federal funds.

B. Cost Reimbursement

Policy VFI-4: The Valley Freeway Interchange Program shall be administered as a cost reimbursement program. Sponsoring agencies shall enter into Project Funding Agreements with SBCTA, as specified in Policy 40001, prior to receiving authorization from SBCTA to expend funds. Following the authorization to expend funds, the sponsoring agency may incur expenses for the components of the project identified in the scope of work included in the Project Funding Agreement.

Policy VFI-5: On an exception basis and subject to SBCTA Board approval, the advanced reimbursement of anticipated expenses may be permissible. Only the right-of-way and construction phases are eligible and are subject to the conditions stated below.

- Right-of-way: Only right-of-way transactions in excess of $500,000 shall be considered for advance reimbursement. The advanced reimbursement shall be based on an accepted written appraisal or sales contract. Adjustments to this estimate based on actual costs shall be reconciled with SBCTA within 30 days of close of escrow and subject to the provisions governing right-of-way purchase established in Policy VFI-30.
- Construction: The advanced reimbursement shall be based on an awarded construction contract in excess of $10,000,000. The amount to be advanced to the local jurisdiction shall not be greater than 10% of the public share of total project cost or of three months estimated peak burn rate for the project, whichever is less. The advanced reimbursement shall be used to help provide liquidity to the local jurisdiction for payment to the contractor and shall be reconciled at the end of the construction phase of the project. SBCTA shall reimburse jurisdiction invoices, in addition to the advanced reimbursement amount, until the public share amount remaining in the contract is equivalent to the advanced reimbursement, after which the advanced reimbursement shall satisfy SBCTA reimbursement requirements.

C. Sponsoring Agency Reimbursement Invoices

Policy VFI-6: Sponsoring agencies shall submit invoices to SBCTA for actual expenditures incurred for components of an interchange project as identified in the scope of work included in the Project Funding Agreement. Invoices may be submitted to SBCTA as frequently as monthly.

Policy VFI-7: The sponsoring agency shall provide adequate documentation to substantiate the costs included in the invoice. At a minimum, the sponsoring agency must submit the invoice provided by the contractor/consultant to the agency, which shall include unit costs, quantities, labor rates, and adequate documentation of any other expenses incurred by the contractor/consultant.

Policy VFI-8: The sponsoring agency shall be reimbursed for the share of the actual project costs under control of SBCTA as documented in the SBCTA Development Mitigation Nexus Study and the Project Funding Agreement.

D. Local Lead Agency Reimbursement Schedule

Policy VFI-9: SBCTA shall reimburse the local lead agency for eligible expenditures within 30 days of receiving a complete and satisfactory invoice package, which shall include all backup and support materials required to substantiate the invoice as identified in Policy VFI-7.

E. Valley Freeway Interchange Program Eligible Projects

Policy VFI-10: Valley freeway interchanges included within the SBCTA Development Mitigation Nexus Study, as periodically updated, are the only freeway interchange projects eligible to be funded by the Valley Freeway Interchange Program.

Policy VFI-11: The SBCTA Development Mitigation Nexus Study shall calculate and document the public and development share costs for each eligible interchange as well as the local jurisdiction responsibility for development share costs.

Policy VFI-12: No new project shall be added to the Valley Freeway Interchange Project List included in the Nexus Study unless the sponsoring agency can provide a comparable reduction in the public share cost, either by eliminating another interchange of comparable cost or increasing the local jurisdiction's development share contribution so as to avoid a net increase in public share cost. Written agreement to withdraw the interchange shall be obtained from the elected body for any minority share jurisdiction and shall be presented to SBCTA prior to Board action.

F. Valley Freeway Interchange Prioritization

Policy VFI-13: Within the Valley Freeway Interchange Program, projects needed to facilitate delivery of the San Bernardino Valley Freeway Program shall receive priority over other eligible freeway interchange projects and may be initiated at the discretion of SBCTA. Initiation of an interchange project by SBCTA shall not waive any requirements for local jurisdictions to provide the development share of the project cost. However, SBCTA shall work with the responsible jurisdiction(s) on such projects to transact a loan for the fair share amount or negotiate other payment terms that will allow for reimbursement of the fair share amount to SBCTA over a mutually agreeable timeframe.

Policy VFI-14: Following allocations to interchanges pursuant to Policy VFI-13, Valley Freeway Interchange Program funding shall be allocated to projects nominated by sponsoring agencies according to a prioritization list approved by the SBCTA Board, and included for reference in Section IV.B.5 of the Strategic Plan.

Policy VFI-15: The Valley Freeway Interchange Program prioritization shall be based on a benefit/cost methodology and may also include consideration of congestion on the freeway mainline caused by deficiencies at the interchange. The prioritization list shall be considered for updates in conjunction with the reviews of the Expenditure Plan required in Section XIV. EXPENDITURE PLAN AMENDMENTS of the Measure I 2010-2040 ordinance. However, the SBCTA Board of Directors may request a re-evaluation of the prioritization list at any time.

Policy VFI-16: Project initiation shall be the responsibility of a local sponsoring jurisdiction, unless otherwise directed by the SBCTA Board pursuant to Policy VFI-13. Nominations by sponsoring jurisdictions occur through inclusion of the candidate project in the sponsor's CPNA for the year of the requested allocation or other collaborative efforts initiated by SBCTA or the sponsoring agency.

Policy VFI-17: A sponsoring jurisdiction may begin expenditure of funds following the execution of a Project Funding Agreement, which shall include the scope of work for a project or project phase and a commitment to provide the development share of the funding through all the phases of the project, pursuant to the Development Mitigation Cooperative Agreement required by Policy VFI-21. The Project Funding Agreement shall be executed by the sponsoring agency and SBCTA prior to the expenditure of funds on any phase of the project. Sponsoring agencies shall not be reimbursed for any costs incurred prior to the execution of the Project Funding Agreement.

Policy VFI-18: Sponsoring agencies that desire to deliver a Valley Freeway Interchange Program project to which funds cannot be allocated in a given year shall be eligible for reimbursement through the Advance Expenditure process outlined in Policy 40002.

G. Development Mitigation Fair Share Contributions

Policy VFI-19: Funds allocated by SBCTA to any phase of a Valley Freeway Interchange project shall be matched by development contributions in accordance with the minimum development contribution percentages identified in the SBCTA Nexus Study.

Policy VFI-20: The sponsoring agency is responsible for coordination of all minority share development mitigation contributions identified in the SBCTA Development Mitigation Nexus Study.

Policy VFI-21: No allocation of funding by SBCTA to a Valley Freeway Interchange project shall occur prior to execution of the Development Mitigation Cooperative Agreement among all development mitigation contributors identified in the SBCTA Nexus Study or commitment by the sponsoring agency to provide the minimum development share.

Policy VFI-22: A Development Mitigation Cooperative Agreement (or equivalent) shall be approved by all jurisdictions with funding responsibility for an interchange project as identified in the Nexus Study. The Development Mitigation Cooperative Agreement provides a guarantee of the development mitigation contributions required by the Nexus Study. These agreements shall be approved by each jurisdiction's city council and, where applicable, the County Board of Supervisors. Where SBCTA initiates project development on an interchange project, SBCTA shall be responsible for coordinating the execution of the Development Mitigation Cooperative Agreement or its equivalent.

H. Development Mitigation Fair Share Loans and Loan Repayment

Policy VFI-23: On an exception basis, project sponsors and other participating local jurisdictions may request loans from SBCTA for the development contribution to facilitate project delivery. Any such loan is subject to approval by the SBCTA Board of Directors on a case-by-case basis after a risk assessment and a complete analysis of the impact of the proposed loan on the other projects in the

Interchange Program. A loan agreement, separate from any other cooperative agreement or funding agreement, shall be approved by the jurisdiction City Council/Board of Supervisors and SBCTA Board of Directors detailing agreement terms. The following set of options for development share loans from SBCTA may be considered by the SBCTA Board:

1. Loans from the Measure I Valley Freeway Interchange Program – For the top 10 interchanges in the most current interchange prioritization list established by the SBCTA Board at the time of execution of the loan agreement that have a demonstrated need, allow for loans for up to 2/3 of the development share (local share) from the Measure I Valley Freeway Interchange Program, with a commitment by the jurisdiction to reimburse the Measure I Valley Freeway Interchange Program with Development Impact Fee (DIF) funds as they are collected or with other legally appropriate non-Measure I funds. Other legally appropriate funds could include proceeds from a Community Facilities District or other development-based sources (note: when DIF funds are referenced elsewhere in this policy, this implies other legally appropriate non-Measure I funds as well). If full repayment does not occur by the end of Measure I 2010-2040 (i.e., because insufficient DIF funds are collected), the loan obligation will be considered fulfilled.

2. Loans from a jurisdiction's Measure I Local Street Program funds (no bonding) - Allow loans for up to 2/3 of the development share (local share) from a jurisdiction's Measure I Local Street Program "pass-through" funds, with a commitment by the jurisdiction to reimburse the Measure I Local Street Program account with DIF funds as they are collected or with other legally appropriate non-Measure I funds. This option assumes no bonding is required, i.e., cash flow in the jurisdiction's Local Street Program is sufficient to cover up to 2/3 of local share costs. Conditions for receipt of a loan under this option include:

   a. Local pass-through funds would be withheld by SBCTA sufficient to pay up to 2/3 of the local share of project invoices immediately after the initiation of work activities on the interchange project or as otherwise documented in the loan agreement. The jurisdiction would need to provide the other 1/3 in cash, as needed for project expenses, from either DIF funds or their own internal loans. Timing of the deposit would be negotiated as part of the loan agreement.

   b. A maximum 10-year term, beginning at the completion of project construction, would be identified for DIF funds to replenish the local pass-through account. The first annual payment would be no later than the end of construction.

   c. 100 percent of the jurisdiction's Nexus Study portion of DIF funds not previously committed to projects (or to funding the other 1/3 of the local share) would need to be committed to repayment of the loan.

   d. No interest would be charged.

   e. SBCTA would release the withheld pass-through funds as the jurisdiction repays with DIF.

   f. The jurisdiction would need to show the use of the loan funds and its repayment plan in its 5-Year Measure I Capital Improvement Plan (CIP).

   g. If the jurisdiction has not repaid the pass-through funds by the end of the term, the term would need to be renegotiated. The jurisdiction would need to continue to repay the loan until it is retired. If full repayment does not occur by the end of Measure I 2010-2040 (i.e., because insufficient DIF funds are collected), the loan obligation will be considered fulfilled. For the top 10 interchanges in the most current interchange prioritization list established by the SBCTA Board at the time of execution of the loan agreement, if full repayment does not occur by the end of Measure I 2010-2040 (i.e., because insufficient DIF funds are collected), the loan obligation will be paid with Measure I Valley Freeway Interchange Program funds.

   h. In addition to the 2/3 cap on the local share portion to be covered by the loan, a limit on the percentage of local pass-through funds may need to be set on a case-by-case basis as a potential hedge against Measure I revenue being lower than forecast.

   i. Any additional cost of administration of the loan incurred by SBCTA may be included as a cost to be borne by the jurisdiction and may be included in the loan.

3. Loans from a jurisdiction's arterial portion of Measure I Major Street Program funds (no bonding) - Allow loans for up to 2/3 of the local share from a jurisdiction's Measure I Major Street/Arterial Program equitable share with a commitment to reimburse the Major Street/Arterial Program account with DIF funds as they are collected, or other legally appropriate non-Measure I funds. This option assumes that no bonding is required, i.e., cash flow in the jurisdiction's arterial portion of the Major Street Program is sufficient to cover up to 2/3 of local share costs. Conditions for receipt of a loan under this option include:
   a. Funds from the Major Street/Arterial Program would be withheld by SBCTA sufficient to pay up to 2/3 of the local share of project invoices immediately after the initiation of work activities on the interchange project or as otherwise documented in the loan agreement. The jurisdiction would need to provide the other 1/3 in cash, as needed for project expenses, from either DIF funds or their own internal loans. Timing of the deposit would be negotiated as part of the loan agreement.
   b. A maximum 10-year term, beginning at the completion of project construction, would be identified for DIF funds to replenish the arterial account. The first annual payment would be no later than the end of construction.
   c. 100 percent of the jurisdiction's Nexus Study portion of DIF funds not previously committed to projects (or to funding the other 1/3 of the local share) would need to be committed to repayment of the loan.
   d. No interest would be charged.
   e. SBCTA would release the withheld arterial funds for use on other projects as the jurisdiction repays with DIF.
   f. If the jurisdiction has not repaid the arterial funds by the end of the term, the term would need to be renegotiated. The jurisdiction would need to continue to repay the loan until it is retired. If it becomes clear that full repayment will not occur by the end of Measure I 2010-2040 (i.e., because insufficient DIF funds are collected), the remainder of the loan obligation would need to be fulfilled using the jurisdiction's Measure I Local Street funds, since Local Street funds can legitimately be used for interchange-related expenditures, or other jurisdiction funds. This reassignment of funds would be part of the renegotiation of the loan. For the top 10 interchanges in the most current interchange prioritization list established by the SBCTA Board at the time of execution of the loan agreement, if full repayment does not occur by the end of Measure I 2010-2040 (i.e., because insufficient DIF funds are collected), the loan obligation will be paid with Measure I Valley Freeway Interchange Program funds.
   g. In addition to the 2/3 cap on the local share portion to be covered by the loan, a limit on the percentage of arterial funds may need to be set on a case-by-case basis. The reason for this would be as a potential hedge against Measure I revenue being lower than forecast.
   h. Any additional cost of administration of the loan incurred by SBCTA may be included as a cost to be borne by the jurisdiction and may be included in the loan.
4. Combination of 1, 2, and 3 - Allow a combination of options 1, 2, and 3 as sources of funding for a local share loan for an interchange project. The terms would be consistent with the terms specified in each of the three options and negotiated on a case-by-case basis.
5. Short-term cash loan from SBCTA - Allow a short-term cash loan for up to 2/3 of the local share that would be made available from SBCTA, with a fixed term and an interest rate premium (i.e. 5 year maximum term; Local Agency Investment Fund interest rate plus 3%). This would be conditioned on SBCTA having cash flow available and there being no risk of delay to other SBCTA projects. The cash loan could only be utilized for the PA/ED and Design phases of the interchange project. The jurisdiction would be in default if it fails to maintain payments, and SBCTA would be given the authority to invoke the terms of options 1, 2, 3, or 4 to make those payments.
6. Bonding against a jurisdiction's Local Street Program funds - Allow for a jurisdiction to bond for up to 2/3 of the local share against its Measure I Local Street Program "pass-through" funds, with the debt service to be paid by those funds. DIF funds would reimburse the jurisdiction's Local Street account as they are collected, and the additional Local Street funds could be expended on other projects in the jurisdiction's Measure I Local Street Capital Improvement Plan.

a. The bond issue could be:

i. Coordinated with another SBCTA bond issue, in which case SBCTA would make debt service payments from the jurisdiction's Local Street account before sending the remaining funds to the jurisdiction. The jurisdiction would then reimburse SBCTA for their Local Street funds with DIF funds as they are collected, and SBCTA would release a comparable amount of Local Street funds back to the jurisdiction for other projects, or

ii. Arranged independently by the jurisdiction, with the debt service paid directly by Local Street funds the jurisdiction receives from SBCTA. In this case, the loan would be internal to the jurisdiction. The CIP would document the loan, and auditing of the Local Street account would track the loan repayment.

b. If full repayment of the Local Street account does not occur by the end of Measure I 2010-2040 (i.e., insufficient DIF funds are collected), the repayment obligation to the Local Street account will be considered fulfilled. This is considered consistent with Measure I, given that Measure I funds will not have replaced the development contribution if development has not occurred.

- SBCTA reserves the right to audit local jurisdiction development mitigation accounts to verify development fee collections used as the basis of loan repayment.
- Loans that are the result of initiation of a project by SBCTA, pursuant to Policy VFI-13, shall be negotiated on a case-by-case basis with terms that may vary from those above.

Policy VFI-24: Jurisdictions may borrow from other internal accounts (i.e., within their own jurisdictions) to fund the required development share for projects. The internal accounts shall be reimbursed by development mitigation as development occurs.

I. Development Mitigation Fair Share Credit Agreements

Policy VFI-25: Local jurisdictions and developers shall be allowed to enter into credit agreements or other arrangements for the developer's provision of roadway improvements approved by the City Council/Board of Supervisors. Such agreements will be strictly between the local jurisdiction and the developer.

Policy VFI-26: A copy of the credit agreement or other developer credit documentation and invoices to substantiate quantities and unit costs for developer work on a Nexus Study project shall be provided when a local jurisdiction submits an invoice for reimbursement.

Policy VFI-27: Local jurisdictions that submit an invoice involving a credit agreement or other arrangement for developer provision of roadway improvements shall separate the development mitigation portion of construction costs from any non-development mitigation portion of the development project in a verifiable fashion.

Policy VFI-28: Reimbursement shall occur for only the public share of the Nexus Study project costs.

J. Eligible Valley Freeway Interchange Program Expenditures

Policy VFI-29: Eligible Valley Freeway Interchange Program expenditures shall include the costs for project phases of any Valley Freeway Interchange improvement included in the SBCTA Nexus Study.

Policy VFI-30: The following costs are ineligible for reimbursement from the Valley Freeway Interchange Program:

- Additional environmental or architectural enhancement not required as part of the mitigation pursuant to the approved environmental document(s) for the project.
- Local permit processing costs and project oversight costs, with the exception of construction support costs.
- Property acquired through the right-of-way acquisition process that is not required for the actual construction of a project. SBCTA will either:
  1. Reimburse the jurisdiction for the public share of the portion of the property acquisition required for the project, with the "project portion" calculated as the sales price times the percentage of the acreage actually required for the project, or
  2. At the request of the jurisdiction, reimburse based on the difference between the total sales price of the parcel and the residual value of the excess land not needed for the construction of the project, as determined by a qualified appraisal.

- Additional project scope not included in the Project Funding Agreement between the sponsoring agency and SBCTA, except when SBCTA and the local agency mutually agree to a project scope change and amend the Project Funding Agreement.

K. Construction Cost Overruns

Policy VFI-31: Jurisdictions shall bear full responsibility for construction cost overruns, which are defined as any amount in excess of the total cost of the accepted bid and contingencies up to 10% of the construction bid. On an exception basis, SBCTA and the lead agency may agree to the modification of the project scope, and the jurisdiction may be reimbursed for the public share of the additional costs pursuant to an amendment to the Project Funding Agreement. Jurisdictions shall share construction cost overrun expenses in proportion to the shares of development mitigation responsibility specified in the Nexus Study. The private share of any cost overrun or project cost increment associated with a project shall be shared by all jurisdictions responsible for the project at the rates identified in the Nexus Study.

L. SBCTA Project Management for Valley Freeway Interchange Program Projects

Policy VFI-32: Management of projects in the Valley Freeway Interchange Program shall be the responsibility of local jurisdictions. However, SBCTA, at the option of the Board of Directors, may assume project management responsibilities for a Valley Freeway Interchange project under one or more of the following conditions:

- The public share percentage of the project is greater than 50%.
- Where Federal or State funds with delivery time constraints have been secured for the project, where the funds would be withdrawn if the time constraints are not met, and where the withdrawal of funds would increase the amount of other public share funds needed to fund the project. Alternatively, a local jurisdiction may assume the lead if it agrees to be responsible for the loss of any federal or State funds withdrawn as a result of not meeting the time constraints.
- Where SBCTA staff has identified reconstruction of an interchange as necessary prior to or as part of the construction of a San Bernardino Valley Freeway Program project.

The existence of any of the above conditions shall not obligate SBCTA to manage the project. In the instance where SBCTA assumes project management responsibilities under one or more of the conditions noted above, SBCTA will coordinate the collection of development mitigation funds from local jurisdictions and expenditure of those funds as required to complete the project.

Policy VFI-33: For projects subject to SBCTA project management pursuant to Policy VFI-32, project management costs will be included as part of the project cost and the costs will be distributed per the public and private share percentages established by the Nexus Study.

Policy VFI-34: Local jurisdictions may request that SBCTA manage interchange projects for which SBCTA does not opt to assume project management responsibilities under Policy VFI-32. SBCTA may agree to assume management responsibilities under the following conditions:

- The sponsoring agency must provide a written request to the SBCTA Executive Director for SBCTA management of the interchange project.
- The request for SBCTA management of the interchange project must be received prior to initiation of the design phase of the project.
- SBCTA determines that it has available staff or consultant resources to manage the project.
- The request is approved by the SBCTA Board.

Subject to these conditions, a cooperative agreement specifying management services must be approved by the city council/Board of Supervisors representing the agency sponsoring the project and the SBCTA Board.

Policy VFI-35: For projects subject to SBCTA project management pursuant to Policy VFI-34, local jurisdictions shall pay 100% of actual SBCTA project management costs, to be estimated in advance by SBCTA. The sponsoring agency will continue to be responsible for coordination of all minority share development mitigation contributions as identified in Policy VFI-20.

M. Valley Freeway Interchange Phasing Program

Policy VFI-36: Implement Valley Freeway Interchange Phasing Program within the Valley Freeway Interchange Program. Administration of the Phasing Program shall be subject to the Valley Freeway Interchange Program policies, including but not limited to local jurisdiction responsibility to fund their development mitigation contribution of phased interchange improvements. Implementation of a phased improvement will not impact the priority associated with the ultimate interchange improvement until a subsequent evaluation of interchange priority occurs. Policy VFI-15 governs the SBCTA Board consideration of changes to the interchange priority list. The Phasing Program is also subject to the following:

1. Measure I Valley Freeway Interchange Program funds to be committed to the Phasing Program will be included in the most current version of the 10-Year Delivery Plan.
2. Funds committed to the Phasing Program may be adjusted through an amendment or update to the 10-Year Delivery Plan approved by the SBCTA Board.
3. Allocation of Phasing Program funds to qualifying projects will be made on a first-come/first-served basis. The list of qualifying projects will be maintained in the 10-Year Delivery Plan. The eligibility of phased projects is not limited to improvements that are included in the 10-Year Delivery Plan. The 10-Year Delivery Plan may be amended or updated by the SBCTA Board to include additional phased projects or to otherwise modify the list of eligible projects. The intent of the Phasing Program is to implement geometric or operational improvements; it is not the intent of the program to fund project development phases for full interchanges within the Valley Freeway Interchange Program. Eligibility of phases must satisfy the following criteria:
    i. Focus on lower-cost projects (i.e., with a total phase cost of less than $10 million) that address an existing congestion problem such as ramp widening, addition of turn or through lanes, restriping, signal modifications, and other partial interchange ramp connections and/or provide capacity to accommodate future growth.
    ii. Phases must be part of an ultimate interchange concept and not result in excessive “throw-away” costs.
4. Local jurisdictions must initiate project development in the Phasing Program through a letter to the SBCTA Executive Director. The request letter must confirm local jurisdiction commitment to fund the local share of improvements and be accompanied by a City Council/Board of Supervisors resolution/action expressing interest in moving forward with implementation of the phased interchange project. Each independent interchange project will require its own individual letter request. Formal request letters are necessary so that SBCTA can initiate the required agreements, identify resources, and initiate the budgeting of funds, given that the Phasing Program is structured on a first-come, first-served basis without phasing priorities.
5. Reference Policies VFI-32, VFI-33, and VFI -34 for project management responsibilities for phased projects. The participation letter and council/Board of Supervisors resolution/action noted in No. 4 should specify the project management lead.
6. SBCTA will initiate the development of a cooperative agreement delineating parties' responsibilities with regard to funding and project delivery.
7. It is recognized that the cost of phased improvements may vary from the planning-level costs in the 10-Year Delivery Plan. The agreement will contain provisions that if costs for a phased improvement increase significantly, the parties reserve the right to make changes in the scope, delay the project, or reconsider the project. If a phased project is terminated, parties are responsible for their share of incurred costs.
8. The loan provisions as outlined in Section H of Policy 40005 apply to this phasing program.

V. REVISION HISTORY

Revision No.	Revisions	Adopted
0	Adopted by the Board of Directors.	04/01/2009
1	Policy VFI-15: Replaced the last sentence: The prioritization list shall be updated every two years in accordance with the biennial Nexus Study update or as directed by the SBCTA Board of Directors with: The prioritization list shall be considered for updates n conjunction with the reviews of the Expenditure Plan required in Section XIV. EXPENDITURE PLAN AMENDMENTS of the Measure I 2010-2040 ordinance. However, the SBCTA Board of Directors may request a re-evaluation of the prioritization list at any time.	11/03/2010
2	Par. IV.H: Revised	12/05/2012
3	Policy VFI-36: Eliminated this policy and moved text to last paragraph in VFI-32. The original intent of VFI-36 was to define the responsibility of collecting the development mitigation funds from local jurisdictions when SBCTA exercises its option to assume project management responsibilities of a Valley Freeway Interchange project under the conditions noted in VFI-32. This intent was not explicitly stated in Policy VFI-36. Policy VFI-35: Added clarifying text that the sponsoring agency will continue to be responsible for coordination of all minority share development mitigation contributions even if SBCTA accepts project management responsibilities under Policy VFI-34. Changes approved by Board of Directors on 2/5/14, Agenda Item 10.	02/05/2014
4	Incorporation of Interchange Phasing Program as VFI-36. Changes approved by BOD on 12/7/16, Agenda Item 11.	12/07/2016
5	Updated with minor edits to provide clarification and reference to 10-Year Delivery Plan. Changes approved by the BOD on 9/06/17, Agenda Item 11.	9/6/2017
6	Par. IV.H: Revised to add allowance for DIF loans from the Valley Freeway Interchange Program for the top 10 interchanges.	4/01/2026
7	Policy VFI-34: Added bullet point condition that requests for SBCTA to assume project management responsibilities has been made and presented to the SBCTA Board prior to the initiation of the design phase.	9/2/2026

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San Bernardino County Transportation Authority	**Policy**	**40005**
Adopted by the Board of Directors April 1, 2009	Revised	9/2/2026
Valley Freeway Interchange Program **Measure I 2010-2040 Strategic Plan**	Revision No.	7

Important Notice: A hardcopy of this document may not be the document currently in effect. The current version is always the version on the SBCTA website.

Table of Contents

I. PURPOSE

The purpose of this policy is to delineate the requirements for administration of the Valley Freeway Interchange (VFI) Program for Measure I 2010-2040. The policy establishes the funding allocation process, reimbursement mechanisms, project eligibility and prioritization, limitations on eligible expenditures, the role of SBCTA in project delivery, and cost overrun responsibilities.

II. REFERENCES

Ordinance No. 04-01 of the San Bernardino County Transportation Authority (SBCTA), Exhibit A – Transportation Expenditure Plan

III. DEFINITIONS

Capital Projects Need Analysis (CPNA) – A five-year plan of capital project needs for each program included in the San Bernardino Valley Expenditure Plan. The CPNA includes estimates of project costs to be incurred by funding type, fiscal year, and phase for the five-year period following the beginning of the subsequent fiscal year.

Development Share– The percentage share of total project cost assigned as the development contribution percentage as listed in the SBCTA Nexus Study.

Public Share – The share of project cost calculated as the total cost of the project minus the developer share.

Sponsoring Agency – The jurisdiction with the majority share of development mitigation responsibility for projects included in the SBCTA Development Mitigation Nexus Study.

IV. POLICIES FOR THE VALLEY FREEWAY INTERCHANGE PROGRAM

A. Allocation of Measure I 2010-2040 Funding

Policy VFI-1: Initiation of project development work on freeway interchange projects shall be the responsibility of local jurisdictions, with the exception that project development work on interchange improvements required to enable the construction of freeway mainline projects may be initiated by SBCTA at the discretion of the Board of Directors (Board).

Policy VFI-2: The SBCTA Board shall allocate funding to specific Valley Freeway Interchange projects as nominated by sponsoring member agencies through their five-year CPNA or other collaborative efforts initiated by SBCTA or the sponsoring agency. SBCTA shall allocate funds to sponsors of interchange projects in order of project priority assigned through a prioritization methodology approved by SBCTA as documented in the Strategic Plan. Fund allocation shall anticipate the Measure I public share costs for subsequent years of a project so that the intent of Policy VFI-3 can be achieved. Funding for initial phases of projects of lesser priority may be deferred depending on the outcome of financial analysis in the 10-Year Delivery Plan. Full funding of the higher priority projects through construction shall be given priority.

Policy VFI-3: An allocation of funds to local agencies for the Project Approval and Environmental Documentation (PA/ED) phase or to a subsequent phase prior to construction shall represent a commitment by SBCTA to timely funding of the public share of the project through construction, subject to the availability of Measure I, State, and Federal funds.

B. Cost Reimbursement

Policy VFI-4: The Valley Freeway Interchange Program shall be administered as a cost reimbursement program. Sponsoring agencies shall enter into Project Funding Agreements with SBCTA, as specified in Policy 40001, prior to receiving authorization from SBCTA to expend funds. Following the authorization to expend funds, the sponsoring agency may incur expenses for the components of the project identified in the scope of work included in the Project Funding Agreement.

Policy VFI-5: On an exception basis and subject to SBCTA Board approval, the advanced reimbursement of anticipated expenses may be permissible. Only the right-of-way and construction phases are eligible and are subject to the conditions stated below.

- Right-of-way: Only right-of-way transactions in excess of $500,000 shall be considered for advance reimbursement. The advanced reimbursement shall be based on an accepted written appraisal or sales contract. Adjustments to this estimate based on actual costs shall be reconciled with SBCTA within 30 days of close of escrow and subject to the provisions governing right-of-way purchase established in Policy VFI-30.
- Construction: The advanced reimbursement shall be based on an awarded construction contract in excess of $10,000,000. The amount to be advanced to the local jurisdiction shall not be greater than 10% of the public share of total project cost or of three months estimated peak burn rate for the project, whichever is less. The advanced reimbursement shall be used to help provide liquidity to the local jurisdiction for payment to the contractor and shall be reconciled at the end of the construction phase of the project. SBCTA shall reimburse jurisdiction invoices, in addition to the advanced reimbursement amount, until the public share amount remaining in the contract is equivalent to the advanced reimbursement, after which the advanced reimbursement shall satisfy SBCTA reimbursement requirements.

C. Sponsoring Agency Reimbursement Invoices

Policy VFI-6: Sponsoring agencies shall submit invoices to SBCTA for actual expenditures incurred for components of an interchange project as identified in the scope of work included in the Project Funding Agreement. Invoices may be submitted to SBCTA as frequently as monthly.

Policy VFI-7: The sponsoring agency shall provide adequate documentation to substantiate the costs included in the invoice. At a minimum, the sponsoring agency must submit the invoice provided by the contractor/consultant to the agency, which shall include unit costs, quantities, labor rates, and adequate documentation of any other expenses incurred by the contractor/consultant.

Policy VFI-8: The sponsoring agency shall be reimbursed for the share of the actual project costs under the control of SBCTA as documented in the SBCTA Development Mitigation Nexus Study and the Project Funding Agreement.

D. Local Lead Agency Reimbursement Schedule

Policy VFI-9: SBCTA shall reimburse the local lead agency for eligible expenditures within 30 days of receiving a complete and satisfactory invoice package, which shall include all backup and support materials required to substantiate the invoice as identified in Policy VFI-7.

E. Valley Freeway Interchange Program Eligible Projects

Policy VFI-10: Valley freeway interchanges included within the SBCTA Development Mitigation Nexus Study, as periodically updated, are the only freeway interchange projects eligible to be funded by the Valley Freeway Interchange Program.

Policy VFI-11: The SBCTA Development Mitigation Nexus Study shall calculate and document the public and development share costs for each eligible interchange as well as the local jurisdiction responsibility for development share costs.

Policy VFI-12: No new project shall be added to the Valley Freeway Interchange Project List included in the Nexus Study unless the sponsoring agency can provide a comparable reduction in the public share cost, either by eliminating another interchange of comparable cost or increasing the local jurisdiction's development share contribution so as to avoid a net increase in public share cost. Written agreement to withdraw the interchange shall be obtained from the elected body for any minority share jurisdiction and shall be presented to SBCTA prior to Board action.

F. Valley Freeway Interchange Prioritization

Policy VFI-13: Within the Valley Freeway Interchange Program, projects needed to facilitate delivery of the San Bernardino Valley Freeway Program shall receive priority over other eligible freeway interchange projects and may be initiated at the discretion of SBCTA. Initiation of an interchange project by SBCTA shall not waive any requirements for local jurisdictions to provide the development share of the project cost. However, SBCTA shall work with the responsible jurisdiction(s) on such projects to transact a loan for the fair share amount or negotiate other payment terms that will allow for reimbursement of the fair share amount to SBCTA over a mutually agreeable timeframe.

Policy VFI-14: Following allocations to interchanges pursuant to Policy VFI-13, Valley Freeway Interchange Program funding shall be allocated to projects nominated by sponsoring agencies according to a prioritization list approved by the SBCTA Board, and included for reference in Section IV.B.5 of the Strategic Plan.

Policy VFI-15: The Valley Freeway Interchange Program prioritization shall be based on a benefit/cost methodology and may also include consideration of congestion on the freeway mainline caused by deficiencies at the interchange. The prioritization list shall be considered for updates in conjunction with the reviews of the Expenditure Plan required in Section XIV. EXPENDITURE PLAN AMENDMENTS of the Measure I 2010-2040 ordinance. However, the SBCTA Board may request a re-evaluation of the prioritization list at any time.

Policy VFI-16: Project initiation shall be the responsibility of a local sponsoring jurisdiction, unless otherwise directed by the SBCTA Board pursuant to Policy VFI-13. Nominations by sponsoring jurisdictions occur through inclusion of the candidate project in the sponsor's CPNA for the year of the requested allocation or other collaborative efforts initiated by SBCTA or the sponsoring agency.

Policy VFI-17: A sponsoring jurisdiction may begin expenditure of funds following the execution of a Project Funding Agreement, which shall include the scope of work for a project or project phase and a commitment to provide the development share of the funding through all the phases of the project, pursuant to the Development Mitigation Cooperative Agreement required by Policy VFI-21. The Project Funding Agreement shall be executed by the sponsoring agency and SBCTA prior to the expenditure of funds on any phase of the project. Sponsoring agencies shall not be reimbursed for any costs incurred prior to the execution of the Project Funding Agreement.

Policy VFI-18: Sponsoring agencies that desire to deliver a Valley Freeway Interchange Program project to which funds cannot be allocated in a given year shall be eligible for reimbursement through the Advance Expenditure process outlined in Policy 40002.

G. Development Mitigation Fair Share Contributions

Policy VFI-19: Funds allocated by SBCTA to any phase of a Valley Freeway Interchange project shall be matched by development contributions in accordance with the minimum development contribution percentages identified in the SBCTA Nexus Study.

Policy VFI-20: The sponsoring agency is responsible for coordination of all minority share development mitigation contributions identified in the SBCTA Development Mitigation Nexus Study.

Policy VFI-21: No allocation of funding by SBCTA to a Valley Freeway Interchange project shall occur prior to execution of the Development Mitigation Cooperative Agreement among all development mitigation contributors identified in the SBCTA Nexus Study or commitment by the sponsoring agency to provide the minimum development share.

Policy VFI-22: A Development Mitigation Cooperative Agreement (or equivalent) shall be approved by all jurisdictions with funding responsibility for an interchange project as identified in the Nexus Study. The Development Mitigation Cooperative Agreement provides a guarantee of the development mitigation contributions required by the Nexus Study. These agreements shall be approved by each jurisdiction's city council and, where applicable, the County Board of Supervisors. Where SBCTA initiates project development on an interchange project, SBCTA shall be responsible for coordinating the execution of the Development Mitigation Cooperative Agreement or its equivalent.

H. Development Mitigation Fair Share Loans and Loan Repayment

Policy VFI-23: On an exception basis, project sponsors and other participating local jurisdictions may request loans from SBCTA for the development contribution to facilitate project delivery. Any such loan is subject to approval by the SBCTA Board on a case-by-case basis after a risk assessment and a complete analysis of the impact of the proposed loan on the other projects in the Interchange Program.

A loan agreement, separate from any other cooperative agreement or funding agreement, shall be approved by the jurisdiction City Council/Board of Supervisors and SBCTA Board detailing agreement terms. The following set of options for development share loans from SBCTA may be considered by the SBCTA Board:

1. Loans from the Measure I Valley Freeway Interchange Program – For the top 10 interchanges in the most current interchange prioritization list established by the SBCTA Board at the time of execution of the loan agreement that have a demonstrated need, allow for loans for up to 2/3 of the development share (local share) from the Measure I Valley Freeway Interchange Program, with a commitment by the jurisdiction to reimburse the Measure I Valley Freeway Interchange Program with Development Impact Fee (DIF) funds as they are collected or with other legally appropriate non-Measure I funds. Other legally appropriate funds could include proceeds from a Community Facilities District or other development-based sources (note: when DIF funds are referenced elsewhere in this policy, this implies other legally appropriate non-Measure I funds as well). If full repayment does not occur by the end of Measure I 2010-2040 (i.e., because insufficient DIF funds are collected), the loan obligation will be considered fulfilled.

2. Loans from a jurisdiction's Measure I Local Street Program funds (no bonding) - Allow loans for up to 2/3 of the development share (local share) from a jurisdiction's Measure I Local Street Program "pass-through" funds, with a commitment by the jurisdiction to reimburse the Measure I Local Street Program account with DIF funds as they are collected or with other legally appropriate non-Measure I funds. This option assumes no bonding is required, i.e., cash flow in the jurisdiction's Local Street Program is sufficient to cover up to 2/3 of local share costs. Conditions for receipt of a loan under this option include:

   a. Local pass-through funds would be withheld by SBCTA sufficient to pay up to 2/3 of the local share of project invoices immediately after the initiation of work activities on the interchange project or as otherwise documented in the loan agreement. The jurisdiction would need to provide the other 1/3 in cash, as needed for project expenses, from either DIF funds or their own internal loans. Timing of the deposit would be negotiated as part of the loan agreement.

   b. A maximum 10-year term, beginning at the completion of project construction, would be identified for DIF funds to replenish the local pass-through account. The first annual payment would be no later than the end of construction.

   c. 100 percent of the jurisdiction's Nexus Study portion of DIF funds not previously committed to projects (or to funding the other 1/3 of the local share) would need to be committed to repayment of the loan.

   d. No interest would be charged.

   e. SBCTA would release the withheld pass-through funds as the jurisdiction repays with DIF.

   f. The jurisdiction would need to show the use of the loan funds and its repayment plan in its 5-Year Measure I Capital Improvement Plan (CIP).

   g. If the jurisdiction has not repaid the pass-through funds by the end of the term, the term would need to be renegotiated. The jurisdiction would need to continue to repay the loan until it is retired. If full repayment does not occur by the end of Measure I 2010-2040 (i.e., because insufficient DIF funds are collected), the loan obligation will be considered fulfilled. For the top ten interchanges in the most current interchange prioritization list established by the SBCTA Board at the time of execution of the loan agreement, if full repayment does not occur by the end of Measure I 2010-2040 (i.e., because insufficient DIF funds are collected), the loan obligation will be paid with Measure I Valley Freeway Interchange Program funds.

   h. In addition to the 2/3 cap on the local share portion to be covered by the loan, a limit on the percentage of local pass-through funds may need to be set on a case-by-case basis as a potential hedge against Measure I revenue being lower than forecast.

   i. Any additional cost of administration of the loan incurred by SBCTA may be included as a cost to be borne by the jurisdiction and may be included in the loan.

3. Loans from a jurisdiction's arterial portion of Measure I Major Street Program funds (no bonding) - Allow loans for up to 2/3 of the local share from a jurisdiction's Measure I Major Street/Arterial Program equitable share, with a commitment to reimburse the Major Street/Arterial Program account with DIF funds as they are collected, or other legally appropriate non-Measure I funds. This option assumes that no bonding is required, i.e., cash flow in the jurisdiction's arterial portion of the Major Street Program is sufficient to cover up to 2/3 of local share costs. Conditions for receipt of a loan under this option include:

   a. Funds from the Major Street/Arterial Program would be withheld by SBCTA, sufficient to pay up to 2/3 of the local share of project invoices immediately after the initiation of work activities on the interchange project or as otherwise documented in the loan agreement. The jurisdiction would need to provide the other 1/3 in cash, as needed for project expenses, from either DIF funds or their own internal loans. Timing of the deposit would be negotiated as part of the loan agreement.

   b. A maximum 10-year term, beginning at the completion of project construction, would be identified for DIF funds to replenish the arterial account. The first annual payment would be no later than the end of construction.

   c. 100 percent of the jurisdiction's Nexus Study portion of DIF funds not previously committed to projects (or to funding the other 1/3 of the local share) would need to be committed to repayment of the loan.

   d. No interest would be charged.

   e. SBCTA would release the withheld arterial funds for use on other projects as the jurisdiction repays with DIF.

   f. If the jurisdiction has not repaid the arterial funds by the end of the term, the term would need to be renegotiated. The jurisdiction would need to continue to repay the loan until it is retired. If it becomes clear that full repayment will not occur by the end of Measure I 2010-2040 (i.e., because insufficient DIF funds are collected), the remainder of the loan obligation would need to be fulfilled using the jurisdiction's Measure I Local Street funds, since Local Street funds can legitimately be used for interchange-related expenditures, or other jurisdiction funds. This reassignment of funds would be part of the renegotiation of the loan. For the top 10 interchanges in the most current interchange prioritization list established by the SBCTA Board at the time of execution of the loan agreement, if full repayment does not occur by the end of Measure I 2010-2040 (i.e., because insufficient DIF funds are collected), the loan obligation will be paid with Measure I Valley Freeway Interchange Program funds.

   g. In addition to the 2/3 cap on the local share portion to be covered by the loan, a limit on the percentage of arterial funds may need to be set on a case-by-case basis. The reason for this would be as a potential hedge against Measure I revenue being lower than forecast.

   h. Any additional cost of administration of the loan incurred by SBCTA may be included as a cost to be borne by the jurisdiction and may be included in the loan.

4. Combination of 1, 2, and 3 - Allow a combination of options 1, 2, and 3 as sources of funding for a local share loan for an interchange project. The terms would be consistent with the terms specified in each of the three options and negotiated on a case-by-case basis.

5. Short-term cash loan from SBCTA - Allow a short-term cash loan for up to 2/3 of the local share that would be made available from SBCTA, with a fixed term and an interest rate premium (i.e. 5-year maximum term; Local Agency Investment Fund interest rate plus 3%). This would be conditioned on SBCTA having cash flow available and there being no risk of delay to other SBCTA projects. The cash loan could only be utilized for the PA/ED and Design phases of the interchange project. The jurisdiction would be in default if it fails to maintain payments, and SBCTA would be given the authority to invoke the terms of options 1, 2, 3, or 4 to make those payments.

6. Bonding against a jurisdiction's Local Street Program funds - Allow for a jurisdiction to bond for up to 2/3 of the local share against its Measure I Local Street Program "pass-through" funds, with the debt service to be paid by those funds. DIF funds would reimburse the jurisdiction's Local Street account as they are collected, and the additional Local Street funds could be expended on other projects in the jurisdiction's Measure I Local Street CIP.

a. The bond issue could be:

i. Coordinated with another SBCTA bond issue, in which case SBCTA would make debt service payments from the jurisdiction's Local Street account before sending the remaining funds to the jurisdiction. The jurisdiction would then reimburse SBCTA for its Local Street funds with DIF funds as they are collected, and SBCTA would release a comparable amount of Local Street funds back to the jurisdiction for other projects, or

ii. Arranged independently by the jurisdiction, with the debt service paid directly by Local Street funds the jurisdiction receives from SBCTA. In this case, the loan would be internal to the jurisdiction. The CIP would document the loan, and auditing of the Local Street account would track the loan repayment.

b. If full repayment of the Local Street account does not occur by the end of Measure I 2010-2040 (i.e., insufficient DIF funds are collected), the repayment obligation to the Local Street account will be considered fulfilled. This is considered consistent with Measure I, given that Measure I funds will not have replaced the development contribution if development has not occurred.

- SBCTA reserves the right to audit local jurisdiction development mitigation accounts to verify development fee collections used as the basis of loan repayment.
- Loans that are the result of initiation of a project by SBCTA, pursuant to Policy VFI-13, shall be negotiated on a case-by-case basis with terms that may vary from those above.

Policy VFI-24: Jurisdictions may borrow from other internal accounts (i.e., within their own jurisdictions) to fund the required development share for projects. The internal accounts shall be reimbursed by development mitigation as development occurs.

I. Development Mitigation Fair Share Credit Agreements

Policy VFI-25: Local jurisdictions and developers shall be allowed to enter into credit agreements or other arrangements for the developer's provision of roadway improvements approved by the City Council/Board of Supervisors. Such agreements will be strictly between the local jurisdiction and the developer.

Policy VFI-26: A copy of the credit agreement or other developer credit documentation and invoices to substantiate quantities and unit costs for developer work on a Nexus Study project shall be provided when a local jurisdiction submits an invoice for reimbursement.

Policy VFI-27: Local jurisdictions that submit an invoice involving a credit agreement or other arrangement for developer provision of roadway improvements shall separate the development mitigation portion of construction costs from any non-development mitigation portion of the development project in a verifiable fashion.

Policy VFI-28: Reimbursement shall occur for only the public share of the Nexus Study project costs.

J. Eligible Valley Freeway Interchange Program Expenditures

Policy VFI-29: Eligible Valley Freeway Interchange Program expenditures shall include the costs for project phases of any Valley Freeway Interchange improvement included in the SBCTA Nexus Study.

Policy VFI-30: The following costs are ineligible for reimbursement from the Valley Freeway Interchange Program:

- Additional environmental or architectural enhancement not required as part of the mitigation pursuant to the approved environmental document(s) for the project.
- Local permit processing costs and project oversight costs, with the exception of construction support costs.
- Property acquired through the right-of-way acquisition process that is not required for the actual construction of a project. SBCTA will either:

  1. Reimburse the jurisdiction for the public share of the portion of the property acquisition required for the project, with the "project portion" calculated as the sales price times the percentage of the acreage actually required for the project, or
  2. At the request of the jurisdiction, reimburse based on the difference between the total sales price of the parcel and the residual value of the excess land not needed for the construction of the project, as determined by a qualified appraisal.

- Additional project scope not included in the Project Funding Agreement between the sponsoring agency and SBCTA, except when SBCTA and the local agency mutually agree to a project scope change and amend the Project Funding Agreement.

K. Construction Cost Overruns

Policy VFI-31: Jurisdictions shall bear full responsibility for construction cost overruns, which are defined as any amount in excess of the total cost of the accepted bid and contingencies up to 10% of the construction bid. On an exception basis, SBCTA and the lead agency may agree to the modification of the project scope, and the jurisdiction may be reimbursed for the public share of the additional costs pursuant to an amendment to the Project Funding Agreement. Jurisdictions shall share construction cost overrun expenses in proportion to the shares of development mitigation responsibility specified in the Nexus Study. The private share of any cost overrun or project cost increment associated with a project shall be shared by all jurisdictions responsible for the project at the rates identified in the Nexus Study.

L. SBCTA Project Management for Valley Freeway Interchange Program Projects

Policy VFI-32: Management of projects in the Valley Freeway Interchange Program shall be the responsibility of local jurisdictions. However, SBCTA, at the option of the Board, may assume project management responsibilities for a Valley Freeway Interchange project under one or more of the following conditions:

- The public share percentage of the project is greater than 50%.
- Where Federal or State funds with delivery time constraints have been secured for the project, where the funds would be withdrawn if the time constraints are not met, and where the withdrawal of funds would increase the amount of other public share funds needed to fund the project. Alternatively, a local jurisdiction may assume the lead if it agrees to be responsible for the loss of any federal or State funds withdrawn as a result of not meeting the time constraints.
- Where SBCTA staff has identified reconstruction of an interchange as necessary prior to or as part of the construction of a San Bernardino Valley Freeway Program project.

The existence of any of the above conditions shall not obligate SBCTA to manage the project. In the instance where SBCTA assumes project management responsibilities under one or more of the conditions noted above, SBCTA will coordinate the collection of development mitigation funds from local jurisdictions and expenditure of those funds as required to complete the project.

Policy VFI-33: For projects subject to SBCTA project management pursuant to Policy VFI-32, project management costs will be included as part of the project cost and the costs will be distributed per the public and private share percentages established by the Nexus Study.

Policy VFI-34: Local jurisdictions may request that SBCTA manage interchange projects for which SBCTA does not opt to assume project management responsibilities under Policy VFI-32. SBCTA may agree to assume management responsibilities under the following conditions:

- The sponsoring agency must provide a written request to the SBCTA Executive Director for SBCTA management of the interchange project.
- The request for SBCTA management of the interchange project must be received prior to initiation of the design phase of the project.
- SBCTA determines that it has available staff or consultant resources to manage the project.
- The request is approved by the SBCTA Board.

Subject to these conditions, a cooperative agreement specifying management services must be approved by the city council/Board of Supervisors representing the agency sponsoring the project and the SBCTA Board.

Policy VFI-35: For projects subject to SBCTA project management pursuant to Policy VFI-34, local jurisdictions shall pay 100% of actual SBCTA project management costs, to be estimated in advance by SBCTA. The sponsoring agency will continue to be responsible for coordination of all minority share development mitigation contributions as identified in Policy VFI-20.

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1. Measure I Valley Freeway Interchange Program funds to be committed to the Phasing Program will be included in the most current version of the 10-Year Delivery Plan.
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   i. Focus on lower-cost projects (i.e., with a total phase cost of less than $10 million) that address an existing congestion problem such as ramp widening, addition of turn or through lanes, restriping, signal modifications, and other partial interchange ramp connections and/or provide capacity to accommodate future growth.
   ii. Phases must be part of an ultimate interchange concept and not result in excessive “throw-away” costs.
4. Local jurisdictions must initiate project development in the Phasing Program through a letter to the SBCTA Executive Director. The request letter must confirm the local jurisdiction’s commitment to fund the local share of improvements and be accompanied by a City Council/Board of Supervisors resolution/action expressing interest in moving forward with implementation of the phased interchange project. Each independent interchange project will require its own individual letter request. Formal request letters are necessary so that SBCTA can initiate the required agreements, identify resources, and initiate the budgeting of funds, given that the Phasing Program is structured on a first-come, first-served basis without phasing priorities.
5. Reference Policies VFI-32, VFI-33, and VFI -34 for project management responsibilities for phased projects. The participation letter and council/Board of Supervisors resolution/action noted in No. 4 should specify the project management lead.
6. SBCTA will initiate the development of a cooperative agreement delineating parties’ responsibilities with regard to funding and project delivery.
7. It is recognized that the cost of phased improvements may vary from the planning-level costs in the 10-Year Delivery Plan. The agreement will contain provisions that if costs for a phased improvement increase significantly, the parties reserve the right to make changes in the scope, delay the project, or reconsider the project. If a phased project is terminated, parties are responsible for their share of incurred costs.
8. The loan provisions as outlined in Section H of Policy 40005 apply to this phasing program.

V. REVISION HISTORY

Revision No.	Revisions	Adopted
0	Adopted by the Board.	04/01/2009
1	Policy VFI-15: Replaced the last sentence: The prioritization list shall be updated every two years in accordance with the biennial Nexus Study update or as directed by the SBCTA Board with: The prioritization list shall be considered for updates in conjunction with the reviews of the Expenditure Plan required in Section XIV. EXPENDITURE PLAN AMENDMENTS of the Measure I 2010-2040 ordinance. However, the SBCTA Board may request a re-evaluation of the prioritization list at any time.	11/03/2010
2	Par. IV.H: Revised	12/05/2012
3	Policy VFI-36: Eliminated this policy and moved text to the last paragraph in VFI-32. The original intent of VFI-36 was to define the responsibility of collecting the development mitigation funds from local jurisdictions when SBCTA exercises its option to assume project management responsibilities of a Valley Freeway Interchange project under the conditions noted in VFI-32. This intent was not explicitly stated in Policy VFI-36. Policy VFI-35: Added clarifying text that the sponsoring agency will continue to be responsible for coordination of all minority share development mitigation contributions even if SBCTA accepts project management responsibilities under Policy VFI-34. Changes approved by the Board on 2/5/14, Agenda Item 10.	02/05/2014
4	Incorporation of Interchange Phasing Program as VFI-36. Changes approved by the BOD on 12/7/16, Agenda Item 11.	12/07/2016
5	Updated with minor edits to provide clarification and reference to the 10-Year Delivery Plan. Changes approved by the BOD on 9/06/17, Agenda Item 11.	9/6/2017
6	Par. IV.H: Revised to add an allowance for DIF loans from the Valley Freeway Interchange Program for the top 10 interchanges.	4/01/2026
7	Policy VFI-34: Added a bullet-point condition that requests for SBCTA to assume project management responsibilities have been made and presented to the SBCTA Board prior to the initiation of the design phase.	9/2/2026

Minute Action

AGENDA ITEM: 5

Date:* *August 21, 2026

Subject:
Air Expressway Rehabilitation Phase I Project Funding Agreement No. 26-1003494

Recommendation:
That the Mountain/Desert Policy Committee recommend the Board, acting as the San Bernardino County Transportation Authority:

A. Allocate $985,865 in Victor Valley Major Local Highway Program Public Share funds to the City of Adelanto for the Air Expressway Rehabilitation Phase I Project.

B. Approve Funding Agreement No. 26-1003494 with the City of Adelanto for Air Expressway Rehabilitation Phase I Project in the amount of $2,701,000, to be funded with $985,865 in Public Share funds and $1,715,135 in City funds.

Background:
The Measure I Expenditure Plan, as part of the Measure I Ordinance No. 04-01, includes contributions to projects along major streets and highways serving as current or future primary routes of travel within the Victor Valley Subarea. In April 2009, the San Bernardino County Transportation Authority Board of Directors adopted the Measure I 2010- 2040 Strategic Plan to define the policy framework for the delivery of Measure I programs and projects along with developing candidate project lists, which are completed with assistance from Subarea jurisdiction representatives. The Plan was subsequently updated in September 2017.

The City of Adelanto (City) has requested a funding allocation from the Measure I Victor Valley Subarea Major Local Highway Program (MLHP) for their high-priority project, the Air Expressway Rehabilitation Project (Project). The Project will generally consist of new street paving and grind-and-overlay of the existing street. The project runs from Highway 395 to Raccoon Avenue, totaling two miles of construction. The road is 30 feet wide, with four lanes. The Project has started work on its Plans, Specifications, and Estimates and is expected to begin construction activity in October 2026. The City's request for funding allocation meets the eligibility requirements for the Victor Valley MLHP as defined by the Victor Valley MLHP Measure I 2010-2040 Strategic Plan Policy No. 40013.

The Project has been identified for funding in the 2025 10-Year Delivery Plan. The estimated cost for the Project is $2,701,000, of which the Public Share amount is $985,865. Staff recommends approval of the allocation as sufficient funding capacity exists for the Victor Valley MLHP to support the requested Public Share amount without affecting other committed projects in the Subarea. Staff also recommends approval of the agreement with the City memorializing the parties' obligations.

Financial Impact:
The adopted Budget for Fiscal Year 2026/2027 includes sufficient Measure I Victor Valley Major Local Highway Program funds for new and amended agreements to support this allocation in Program 50, Fund Administration.

Reviewed By:
This item is not scheduled for review by any other policy committee or technical advisory committee. SBCTA General Counsel has reviewed this item and the draft agreement.

Entity: San Bernardino County Transportation Authority

Responsible Staff:
Nohemi Moran, Management Analyst II

Contract Summary Sheet

General Contract Information

Contract No: 26-1003494 Amendment No.: ____

Contract Class: Payable Department: Fund Administration

Vendor No.: 00085 Vendor Name: City of Adelanto

Description: Air Expressway Rehabilitation Project

List Any Related Contract Nos.: ____

Dollar Amount

Original Contract	$	985,865.00	Original Contingency	$	-
Prior Amendments	$	-	Prior Amendments	$	-
Prior Contingency Released	$	-	Prior Contingency Released (-)	$	-
Current Amendment	$	-	Current Amendment	$	-
Total/Revised Contract Value	**$**	**985,865.00**	**Total Contingency Value**	**$**	**-**
			Total Dollar Authority (Contract Value and Contingency)	**$**	**985,865.00**

Contract Authorization

Board of Directors Date: 09/02/2026 Committee Item # ____

Contract Management (Internal Purposes Only)

Other Contracts Sole Source? N/A No Budget Adjustment

Local Funding Allocation N/A

Accounts Payable

Estimated Start Date: 09/02/2026 Expiration Date: 01/31/2027 Revised Expiration Date: ____

NHS: N/A QMP/QAP: N/A Prevailing Wage: N/A

	Fund	Prog	Task	Sub-Task	Object	Revenue	PA Level	Revenue Code Name	Total Contract Funding: $ 985,865.00	Total Contingency: $ -
GL:	4230	50	0550	0516	54840	41100000		Victor Valley MLHP	985,865.00	-
GL:									-	-
GL:									-	-
GL:									-	-
GL:									-	-
GL:									-	-
GL:									-	-
GL:									-	-
GL:									-	-
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GL:									-	-

Nohemi Moran
Project Manager (Print Name)

Ryan Graham
Task Manager (Print Name)

Additional Notes: Project Acctg Code: 0516.001.259.54840

Form 200 11/2019

Attachment: CSS - Revised - 08-25-2022 10.11am (12735 : Air Expressway Rehab Phase I Project Funding Agreement)

PROJECT FUNDING AGREEMENT NO. 26-1003494

FOR

AIR EXPRESSWAY REHABILITATION PROJECT

(CITY OF ADELANTO)

THIS Project Funding Agreement ("AGREEMENT") is made and entered into by and between the San Bernardino County Transportation Authority ("SBCTA") and the City of Adelanto ("CITY"). SBCTA and CITY are each a "Party" or collectively, "Parties."

RECITALS

A. The Measure I 2010-2040 Expenditure Plan and the Victor Valley Subarea transportation planning partners have identified projects eligible for partial funding from Measure I 2010-2040 Victor Valley Subarea Major Local Highway Program ("MLHP") funds; and

B. The Air Expressway Rehabilitation Project ("PROJECT") is one of the projects identified as eligible for such funding and is described more fully in Attachment A; and

C. The proposed PROJECT will consist of pavement rehabilitation along Air Expressway from Highway 395 to Raccoon Avenue; and

D. SBCTA prepared a study, referenced herein as the Nexus Study, dated November 2, 2011, and updated every two years in accordance with the Measure I 2010-2040 Expenditure Plan, that identified for projects located in CITY the SBCTA Public Share as 36.5% and the CITY Developer Share as 63.5% of costs necessary to complete the project; and

E. CITY identified a need of $985,865 in Public Share funding to complete the PROJECT through Construction; and

F. The Victor Valley Subarea transportation planning partners have identified this PROJECT as eligible for funding the Project Approval and Environmental Document (PA/ED), the Plans, Specifications, and Estimates (PS&E) and Construction Phases in an amount up to $985,865 from Measure I 2010-2040 MLHP program funds for the PROJECT; and

G. PROJECT WORK is defined as the PA/ED, PS&E, and Construction Phase of the PROJECT; and

H. This AGREEMENT is to be carried out in accordance with the policies in the Measure I 2010-2040 Strategic Plan including the use of Development Impact Fees by CITY to pay its share of PROJECT costs; and

I. CITY desires to proceed with the PROJECT WORK in a timely manner; and

J. This AGREEMENT is intended to delineate the duties and funding responsibilities of the Parties for the PROJECT WORK; and

K. SBCTA and CITY are entering into this AGREEMENT with the understanding that SBCTA will reimburse CITY for eligible PROJECT WORK expenditures with MLHP funds.

NOW, THEREFORE, the Parties agree to the following:

<u>SECTION I</u>

<u>SBCTA AGREES:</u>

1. To reimburse CITY for the actual cost of the PROJECT WORK up to a maximum of $985,865 in MLHP funds. An estimate of costs for the PROJECT WORK is provided in Attachment B. SBCTA shall have no further responsibilities to provide any funding for PROJECT WORK exceeding this amount without an amendment to this AGREEMENT.

2. To reimburse CITY within 30 days after CITY submits an electronic copy of the signed invoices in the proper form covering those actual allowable PROJECT WORK expenditures that were incurred by CITY up to a maximum amount identified in Section I, Paragraph 1 of this AGREEMENT, consistent with the invoicing requirements of the Measure I 2010-2040 Strategic Plan, including backup information. Invoices may be submitted to SBCTA as frequently as monthly.

3. When conducting an audit of the costs claimed under the provisions of this AGREEMENT, to rely to the maximum extent possible on any prior audit of CITY performed pursuant to the provisions of State and Federal laws. In the absence of such an audit, work of other auditors will be relied upon to the extent that work is acceptable to SBCTA when planning and conducting additional audits.

4. To assign a project liaison for the purpose of attending Project Development Team (PDT) meetings.

SECTION II

CITY AGREES:

1. To be the lead agency for PROJECT WORK and to diligently undertake and complete in a timely manner the Scope of Work for the PROJECT WORK as shown in Attachment A.

2. To be responsible for expending that portion of allocated MLHP funds on eligible PROJECT WORK expenses in an amount not-to-exceed $985,865 in MLHP Funds unless AGREEMENT is amended and approved increasing PROJECT WORK costs. Reimbursement by SBCTA shall be in accordance with Section I, Paragraph 2. Additionally, expenses relative to time spent on the PROJECT WORK by CITY staff are considered eligible PROJECT expenses and may be charged to the PROJECT, subject to SBCTA's guidelines.

3. To abide by all applicable SBCTA, CITY, State and Federal laws, regulations, policies and procedures pertaining to the PROJECT WORK.

4. To prepare and submit to SBCTA an electronic copy of signed invoices for reimbursement of eligible PROJECT WORK expenses. Invoices may be submitted to SBCTA as frequently as monthly.

5. To maintain all source documents, books and records connected with its performance under this AGREEMENT for a minimum of five (5) years from the date of the Final Report of Expenditures submittal to SBCTA or until audit resolution is achieved, whichever is later, and to make all such supporting information available for inspection and audit by representatives of SBCTA during normal business hours at CITY Hall. Copies will be made and furnished by CITY upon written request by SBCTA.

6. To establish and maintain an accounting system conforming to Generally Accepted Accounting Principles to support CITY's requests for reimbursement, payment vouchers, or invoices which segregate and accumulate costs of PROJECT WORK elements and produce monthly reports which clearly identify reimbursable costs, matching fund costs, indirect cost allocation, and other allowable expenditures by CITY.

7. To prepare a Final Report of Expenditures, including a final invoice reporting the actual eligible PROJECT WORK costs expended for those activities described in the work activities, and to submit that Final Report of Expenditures and final invoice no later than one hundred twenty (120) days following the completion of those expenditures funded under this AGREEMENT. The Final Report of Expenditures shall be submitted to SBCTA and must state that these PROJECT WORK funds were used in conformance with this AGREEMENT and for those PROJECT WORK-specific work activities described.

8. To cooperate in having a PROJECT-specific audit completed by SBCTA, at SBCTA's option and expense, upon completion of the PROJECT WORK. The audit must state that all funds expended on the PROJECT WORK were used in conformance with this AGREEMENT.

9. To repay to SBCTA any reimbursement for Measure I costs that are determined by subsequent audit to be unallowable within one hundred twenty (120) days of CITY receiving notice of audit findings, which time shall include an opportunity for CITY to respond to and/or resolve the findings. Should the findings not be otherwise resolved and CITY fail to reimburse moneys due SBCTA within one hundred twenty (120) days of audit findings, or within such other period as may be agreed between both Parties, SBCTA reserves the right to withhold future payments due CITY from any source under SBCTA's control.

10. To include SBCTA in PDT meetings if and when such meetings are held and in related communications on PROJECT WORK progress, to provide at least quarterly schedule updates to SBCTA, and to consult with SBCTA on critical issues relative to the PROJECT WORK.

11. To include in all contracts between CITY and contractors for the Construction Phase the requirement that SBCTA be named as an additional insured under general liability insurance policies maintained by the contractor for the PROJECT.

SECTION III

IT IS MUTUALLY AGREED BY THE PARTIES:

1. To abide by all applicable Federal, State and Local laws and regulations pertaining to the PROJECT WORK, including policies in the applicable program in the Measure I 2010-2040 Strategic Plan, as amended, as of the Effective Date of this AGREEMENT.

2. The final PROJECT WORK cost may ultimately exceed current estimates of PROJECT WORK cost. Any additional eligible costs resulting from unforeseen conditions over the estimated total of the PROJECT WORK cost shall be borne by CITY unless prior authorization has been approved by the SBCTA Board of Directors pursuant to Section III, Paragraph 3 of this AGREEMENT.

3. In the event CITY determines PROJECT WORK costs may exceed the not-to-exceed amount identified in Section I, Paragraph 1, CITY shall inform SBCTA of this determination and thereafter the Parties shall work together in an attempt to agree upon an amendment to the PROJECT WORK amounts identified in this AGREEMENT. In no event, however, shall SBCTA be responsible for PROJECT WORK costs in excess of the amounts identified herein absent a written amendment to this AGREEMENT that is approved and signed by both Parties.

4. Eligible PROJECT WORK reimbursements shall include only those costs incurred by CITY for PROJECT WORK-specific work activities that are described in this AGREEMENT and shall not include escalation or interest.

5. Neither SBCTA nor any officer or employee thereof is responsible for any injury, damage, or liability occurring or arising by reason of anything done or omitted to be done by CITY under or in connection with any work, authority or jurisdiction delegated to CITY under this AGREEMENT. It is understood and agreed that, pursuant to Government Code Section 895.4, CITY shall fully defend, indemnify, and save harmless SBCTA, its officers and employees from all claims, suits, or actions of every name, kind, and description brought for or on account of injury (as defined by Government Code Section 810.8) occurring by reason of anything done or omitted to be done by CITY under or in connection with any work, authority or jurisdiction delegated to CITY under this AGREEMENT. CITY's indemnification obligation applies to SBCTA's "active" as well as "passive" negligence but does not apply to SBCTA's "sole negligence" or "willful misconduct" within the meaning of Civil Code Section 2782.

6. Neither CITY nor any officer or employee thereof is responsible for any injury, damage, or liability occurring or arising by reason of anything done or omitted to be done by SBCTA under or in connection with any work, authority, or jurisdiction delegated to SBCTA under this AGREEMENT. It is understood and agreed that, pursuant to Government Code Section 895.4, SBCTA shall fully defend, indemnify, and save harmless CITY, its officers and employees from all claims, suits, or actions of every name, kind and description brought for or on account of injury (as defined by Government Code Section 810.8) occurring by reason of anything done or omitted to be done by SBCTA under or in connection with any work, authority, or jurisdiction delegated to SBCTA under this AGREEMENT. SBCTA's indemnification obligation applies to CITY's "active" as well as "passive" negligence but does not apply to CITY's "sole negligence" or "willful misconduct" within the meaning of Civil Code Section 2782.

7. In the event CITY and/or SBCTA is found to be comparatively at fault for any claim, action, loss, or damage which results from their respective obligations under this AGREEMENT, CITY and/or SBCTA shall indemnify the other to the extent of its comparative fault.

8. This AGREEMENT will be considered terminated upon reimbursement of all eligible costs by SBCTA or January 31, 2027, whichever is sooner, provided that the provisions of Paragraphs 5, 6, 7, 8, and 9 of Section II, and Paragraphs 5, 6, and 7 of Section III, shall survive the termination of this AGREEMENT.

9. SBCTA may terminate this AGREEMENT if CITY fails to perform according to the terms of this AGREEMENT and if this failure jeopardizes the delivery of the PROJECT WORK according to the terms herein.

10. No amendment, modification or supplement of this Agreement shall be valid or binding unless executed in writing and signed by both Parties, subject to City Council approval. The requirement for written amendments, modifications, or supplements cannot be waived and any attempted waiver shall be void and invalid.

11. Any notice, demand, request, consent or approval that either Party desires or is required to give to the other Party under this Agreement shall be in writing. Notices may be transmitted by any of the following means: (a) by delivery in person; (b) by certified U.S. mail, return receipt requested, postage prepaid; (c) by prepaid overnight delivery service, with signature on delivery receipt requested; or (d) by electronic means. Any such notice, demand, or other communication shall be deemed given or served only upon receipt by the addressee. This Section shall not be construed to apply to day-to-day administrative communications between the Parties. Either Party to this Agreement may change its name, address, facsimile number, or person to whom attention should be directed, for purposes of this Agreement, by giving notice as specified in this Section. Notices, demands, and other communications shall be sent to:

CITY: CITY OF ADELANTO
Jessie Flores
City Manager
11600 Air Expressway
Adelanto, CA 92301
jflores@adelantoca.gov

SBCTA: SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
Ryan Graham
Director of Fund Administration
1170 W. 3rd St, 2nd Floor
rgraham@gosbcta.com

12. This Agreement shall be interpreted and governed according to the laws of the State of California. In the event of litigation between the Parties, venue of any such litigation shall be exclusively in San Bernardino County, California.

13. The Recitals to this AGREEMENT are true and correct and are incorporated into this Agreement.

14. Attachment A (Description of Project and Milestones) and Attachment B (Summary of Estimated Costs) are attached to and incorporated into this AGREEMENT.

15. The AGREEMENT may be signed in counterparts, each of which shall constitute an original.

16. This AGREEMENT is effective and shall be dated on the date executed by SBCTA.

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

IN WITNESS WHEREOF, the Parties have executed this AGREEMENT by their authorized signatures below.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

By: ________________________________
Joe Baca Jr., President
Board of Directors

Date: ________________________________

APPROVED AS TO FORM:

By: ________________________________
Iain MacMillan
Assistant General Counsel

Date: ________________________________

CITY OF ADELANTO

By: ________________________________
Gabriel Reyes
City Mayor

Date: ________________________________

APPROVED AS TO FORM:

By: ________________________________
Todd Litfin
City Attorney

Date: ________________________________

ATTEST:

By: ________________________________
Brenda Lopez
City Clerk

Date: ________________________________

Attachment A

AIR EXPRESSWAY REHABILITATION PROJECT
Description of Project and Milestones

Project Title
Air Expressway Rehabilitation Project
Location, Project Limits, Description, Scope of Work, Legislative Description
The Air Expressway Rehabilitation project consists of new street paving and grind-and-overlay of existing street. The project runs from Highway 395 to Raccoon Avenue, totaling two miles of construction. The road is 30 feet wide, with four lanes.

Project Milestone	**Proposed**
Project Study Report Approved	
Begin Environmental (PA/ED) Phase	
Circulate Draft Environmental Document	
Draft Project Report	
End Environmental Phase (PA/ED Milestone)	
Begin Design (PS&E) Phase	5/1/2026
End Design Phase (Ready to List for Advertisement Milestone)	9/1/2026
Begin Right of Way Phase	
End Right of Way Phase (Right of Way Certification Milestone)	
Begin Construction Phase (Contract Award Milestone)	10/1/2026
End Construction Phase (Construction Contract Acceptance Milestone)	1/31/2027
Begin Closeout Phase	
End Closeout Phase (Closeout Report)	

ATTACHMENT B

AIR EXPRESSWAY REHABILITATION PROJECT
Summary of Estimated Costs

Phase	Total Cost	SBCTA Funds (1)	CITY Funds
Project Approval and Environmental Document (PA/ED)	$1,000	$365	$635
Plans, Specifications, and Estimates (PS&E)	$200,000	$73,000	$127,000
ROW	$0	$0	$0
Construction	$2,500,000	$912,500	$1,587,500
TOTAL	**$2,701,000**	**$985,865**	**$1,715,135**

Additional Notes:
1. SBCTA's Share can be from sources under control of SBCTA including but not limited to, Measure I Major Local Highways Program, State Transportation Improvement Program, Surface Transportation Block Grant Program, or other funds without necessitating an amendment of this Agreement.

Minute Action

AGENDA ITEM: 6

Date: August 21, 2026

Subject:
Mojave Drive Project Funding Agreement No. 26-1003488

Recommendation:
That the Mountain/Desert Policy Committee recommend the Board, acting as the San Bernardino County Transportation Authority:

Approve Funding Agreement No. 26-1003488 with the City of Victorville for Mojave Drive Improvements Project in the amount of $8,875,000. The Public Share amount of $4,526,250 will be funded with Federal Surface Transportation Block Grant funds.

Background:
The Measure I Expenditure Plan, as part of the Measure I Ordinance No. 04-01, includes contributions to projects along major streets and highways serving as current or future primary routes of travel within the Victor Valley Subarea. In April 2009, the San Bernardino County Transportation Authority (SBCTA) Board of Directors (Board) adopted the Measure I 2010-2040 Strategic Plan (Plan) to define the policy framework for the delivery of Measure I programs and projects along with developing candidate project lists, which are completed with assistance from Subarea jurisdiction representatives. The Plan was subsequently updated in September 2017.

The Measure I Victor Valley Subarea Expenditure Plan is comprised of revenues from Measure I, State and Federal sources, and contributions from new development. Measure I Major Local Highway Projects (MLHP) Program is one program within the Victor Valley Expenditure Plan, and those revenues plus State and Federal funds allocated at the discretion of the SBCTA Board are referred to collectively as the “Public Share” of a project. The Public Share is then matched with the development share as defined by the Development Mitigation Nexus Study to round out project funding under the MLHP Program.

SBCTA maintains the 10-Year Delivery Plan as a living document that defines the scope, schedule, and budget for projects included within it. During the 2025 Update to the 10-Year Delivery Plan, the City of Victorville (City) requested a funding allocation from the Victor Valley MLHP Program for their priority projects, including the Mojave Drive Improvements Project (Project). Approval of Public Share funding for the project occurred with the adoption of the 2025 10-Year Delivery Plan Update in February 2025.

The Project generally consists of reconstructing roadway, installing traffic signals, upgrading curb ramps, sidewalks, and driveways along Mojave Drive from Amargosa Road to 7th Street. The Project is scheduled to begin the Environmental Phase in March 2027 and is expected to begin construction activity in March 2029. The City was awarded Federal Surface Transportation Block Grant funds by the Southern California Association of Governments in December 2025 and has since received its authorization to proceed with use of those funds in June 2026.

The Project has been identified for funding in the 2025 Update to the 10-Year Delivery Plan. The total estimated cost for the Project is $8,875,000, of which the Public Share amount is $4,526,250. Approval of this Funding Agreement will establish the roles and responsibilities for both the City and SBCTA during delivery of the project. The Project Milestones are included in Attachment A, and the Funding Table is included in Attachment B. The Funding Agreement and its associated attachments may be updated from time to time based on changes to project scope, schedule, and sources of funding. Staff recommends approval of the Funding Agreement as the obligations contained within it are consistent with the Victor Valley Subarea Expenditure Plan and the 10-Year Delivery Plan, and there are sufficient Public Share resources to execute the terms of the agreement without affecting other approved or committed projects in the Subarea.

Financial Impact:
This item is consistent with the adopted Budget for Fiscal Year 2026/2027, Task 0500 Fund Administration.

Reviewed By:
This item is not scheduled for review by any other policy committee or technical advisory committee. SBCTA General Counsel has reviewed this item and the draft agreement.

Responsible Staff:
Nohemi Moran, Management Analyst II

Approved
Mountain-Desert Committee
Date: August 21, 2026

Witnessed By:

Contract Summary Sheet

General Contract Information

Contract No: 26-1003488 Amendment No.:

Contract Class: Payable Department: Fund Administration

Vendor No.: 02324 Vendor Name: City of Victorville

Description: Mojave Drive Improvements Funding Agreement

List Any Related Contract Nos.:

Dollar Amount					
Original Contract	$	-	Original Contingency	$	-
Prior Amendments	$	-	Prior Amendments	$	-
Prior Contingency Released	$	-	Prior Contingency Released (-)	$	-
Current Amendment	$	-	Current Amendment	$	-
Total/Revised Contract Value	**$**	**-**	**Total Contingency Value**	**$**	**-**
			Total Dollar Authority (Contract Value and Contingency)	**$**	**-**

Contract Authorization

Board of Directors Date: 09/02/2026 Committee Item #

Contract Management (Internal Purposes Only)

Other Contracts Sole Source? N/A No Budget Adjustment

Local Funding Agreement N/A

Accounts Payable

Estimated Start Date: 09/02/2026 Expiration Date: 07/31/2031 Revised Expiration Date:

NHS: N/A QMP/QAP: N/A Prevailing Wage: N/A

	Fund	Prog	Task	Sub-Task	Object	Revenue	PA Level	Revenue Code Name	Total Contract Funding:	Total Contingency:
									$ -	$ -
GL:										-
GL:									-	-
GL:									-	-
GL:									-	-
GL:									-	-
GL:									-	-
GL:									-	-
GL:									-	-
GL:									-	-
GL:									-	-
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GL:									-	-
GL:									-	-

Nohemi Moran
Project Manager (Print Name)

Ryan Graham
Task Manager (Print Name)

Additional Notes: STBG funds in the amount of $4,526,000 was awarded to the project by SCAG and do not pass through SBCTA's budget.

Attachment: CSS - Revised - 08-25-2022 10.11am (12708 : Mojave Drive Project Funding Agreement)

Form 200 11/2019

PROJECT FUNDING AGREEMENT NO. 26-1003488

FOR

MOJAVE DRIVE IMPROVEMENTS PROJECT

(CITY OF VICTORVILLE)

THIS Project Funding Agreement ("AGREEMENT") is made and entered into by and between the San Bernardino County Transportation Authority ("SBCTA") and the City of Victorville ("CITY"). SBCTA and CITY are each a "Party" or collectively, "Parties."

RECITALS

A. The Measure I 2010-2040 Expenditure Plan and the Victor Valley Subarea transportation planning partners have identified projects eligible for partial funding from Measure I 2010-2040 Victor Valley Subarea Major Local Highway Projects ("MLHP") Program funds; and

B. The Mojave Drive Improvements Project ("PROJECT") is one of the projects identified as eligible for such funding and is described more fully in Attachment A; and

C. The proposed PROJECT will consist of reconstructing roadway, installing traffic signals, upgrading curb ramps, sidewalks, and driveways along Mojave Drive from Amargosa Road to 7th Street; and

D. SBCTA prepared the Development Mitigation Study, referenced herein as the Nexus Study, originally approved in October 2005 and regularly updated every two years, most recently on June 3, 2026, that in accordance with the Measure I 2010-2040 Expenditure Plan, identified for projects located in the CITY, the SBCTA Public Share as 51.0% and the CITY Development Share as 49.0% of costs necessary to complete such projects; and

E. The Measure I 2010-2040 Strategic Plan Policy 40013, Victor Valley MLHP Program, includes as Public Share funds: Measure I Major Local Highway Projects Program, State Transportation Improvement Program, Surface Transportation Program, Congestion Mitigation and Air Quality, State Local Partnership Program, and Local Partnership Program funds; and

F. CITY identified a need of $4,526,250 in Public Share funding to complete the PROJECT through the Construction Phase; and

G. The Victor Valley Subarea transportation planning partners have identified this PROJECT as eligible for funding the Project Approval and Environmental Documentation (PA/ED), Plans, Specifications, and Estimates (PS&E), Right of Way (ROW) and Construction (CON) Phases in an amount up to $4,526,250 from public share funds, including Measure I 2010-2040 MLHP program funds for the PROJECT as outlined in Attachment B; and

H. PROJECT WORK is defined as the PA/ED, PS&E, ROW and CON Phases of the PROJECT; and

I. This AGREEMENT is to be carried out in accordance with the policies in the Measure I 2010-2040 Strategic Plan, including the use of Development Impact Fees by CITY to pay its share of PROJECT costs; and

J. CITY desires to proceed with the PROJECT WORK in a timely manner; and

K. This AGREEMENT is intended to delineate the duties and funding responsibilities of the Parties for the PROJECT WORK; and

L. SBCTA and CITY are entering into this AGREEMENT with the understanding that SBCTA will provide the CITY with Public Share funds for eligible PROJECT WORK, which may require the City to obtain the funds through State and Federal partners or submit for reimbursement of expenditures with MLHP funds as set forth herein.

NOW, THEREFORE, the Parties agree to the following:

SECTION I

SBCTA AGREES:

1. To commit Public Share funds to CITY for the actual cost of the PROJECT WORK up to a maximum of $4,526,250 . An estimate of costs for the PROJECT WORK is provided in Attachment B. SBCTA shall have no further responsibilities to provide any funding for PROJECT WORK exceeding this amount without an amendment to this AGREEMENT.

2. In the case that Measure I funds are allocated to the PROJECT, to reimburse CITY within thirty (30) days after CITY submits an electronic copy of the signed invoices in the proper form covering those actual allowable PROJECT WORK expenditures that were incurred by CITY up to a maximum amount identified in Section I, Paragraph 1 of this AGREEMENT, consistent with the invoicing requirements of the Measure I 2010-2040 Strategic Plan, including backup information. Invoices may be submitted to SBCTA as frequently as monthly.

3. When conducting an audit of the costs claimed under the provisions of this AGREEMENT, to rely to the maximum extent possible on any prior audit of CITY performed pursuant to the provisions of State and Federal laws. In the absence of such an audit, work of other auditors will be relied upon to the extent that work is acceptable to SBCTA when planning and conducting additional audits.

4. To assign a project liaison for the purpose of attending Project Development Team (PDT) meetings.

SECTION II

CITY AGREES:

1. To be the lead agency for PROJECT WORK and to diligently undertake and complete in a timely manner the Scope of Work for the PROJECT WORK as shown in Attachment A.

2. To be responsible for expending that portion of allocated Public Share funds on eligible PROJECT WORK expenses in an amount not-to-exceed $4,526,250 unless this AGREEMENT is amended and approved increasing PROJECT WORK costs. Reimbursement by SBCTA shall be in accordance with Section I, Paragraph 2. Additionally, expenses relative to time spent on the PROJECT WORK by CITY staff are considered eligible PROJECT expenses and may be charged to the PROJECT, subject to SBCTA's guidelines.

3. In the case that State and Federal funds are allocated to the PROJECT, to secure all necessary State and Federal authorizations that are required before incurring eligible PROJECT expenditures.

4. To abide by all applicable SBCTA, CITY, State and Federal laws, regulations, policies and procedures pertaining to the PROJECT WORK.

5. In the case that Measure I funds are allocated to the PROJECT, to prepare and submit to SBCTA an electronic copy of signed invoices for reimbursement of eligible PROJECT WORK expenses. Invoices may be submitted to SBCTA as frequently as monthly.

6. To maintain all source documents, books and records connected with its performance under this AGREEMENT for a minimum of five (5) years from the date of the Final Report of Expenditures submittal to SBCTA or until audit resolution is achieved, whichever is later, and to make all such supporting information available for inspection and audit by representatives of SBCTA during normal business hours at CITY Hall. Copies will be made and furnished by CITY upon written request by SBCTA.

7. To establish and maintain an accounting system conforming to Generally Accepted Accounting Principles (GAAP) to support CITY's requests for reimbursement, payment vouchers, or invoices which segregate and accumulate costs of PROJECT WORK elements and produce monthly reports which clearly identify reimbursable costs, matching fund costs, indirect cost allocation, and other allowable expenditures by CITY.

8. To prepare a Final Report of Expenditures, including a final invoice reporting the actual eligible PROJECT WORK costs expended for those activities described in the work activities, and to submit that Final Report of Expenditures and final invoice no later than

one hundred twenty (120) days following the completion of those expenditures funded under this AGREEMENT. The Final Report of Expenditures shall be submitted to SBCTA and must state that these PROJECT WORK funds were used in conformance with this AGREEMENT and for those PROJECT WORK-specific work activities described.

9. To cooperate in having a PROJECT-specific audit completed by SBCTA, at SBCTA's option and expense, upon completion of the PROJECT WORK. The audit must state that all funds expended on the PROJECT WORK were used in conformance with this AGREEMENT.

10. To repay to SBCTA any reimbursement for Measure I costs that are determined by subsequent audit to be unallowable within one hundred twenty (120) days of CITY receiving notice of audit findings, which time shall include an opportunity for CITY to respond to and/or resolve the findings. Should the findings not be otherwise resolved and CITY fail to reimburse moneys due SBCTA within one hundred twenty (120) days of audit findings, or within such other period as may be agreed between both Parties, SBCTA reserves the right to withhold future payments due CITY from any source under SBCTA's control.

11. To include SBCTA in PDT meetings if and when such meetings are held and in related communications on PROJECT WORK progress, to provide at least quarterly schedule updates to SBCTA, and to consult with SBCTA on critical issues relative to the PROJECT WORK.

12. In the case that Measure I funds are allocated to the PROJECT, as an eligible PROJECT expense, to post signs at the boundaries of the PROJECT noting that PROJECT is funded with Measure I funds. Signs shall bear the logos of SBCTA and CITY.

13. To include in all contracts between CITY and contractors for the Construction Phase the requirement that SBCTA be named as an additional insured under general liability insurance policies maintained by the contractor for the PROJECT.

SECTION III

IT IS MUTUALLY AGREED BY THE PARTIES:

1. To abide by all applicable Federal, State, and Local laws and regulations pertaining to the PROJECT WORK, including policies in the applicable program in the Measure I 2010-2040 Strategic Plan, as amended, as of the Effective Date of this AGREEMENT.

2. The final PROJECT WORK cost may ultimately exceed current estimates of PROJECT WORK cost. Any additional eligible costs resulting from unforeseen conditions over the estimated total of the PROJECT WORK cost shall be borne by CITY unless prior authorization has been approved by the SBCTA Board of Directors pursuant to Section III, Paragraph 3 of this AGREEMENT.

3. In the event CITY determines PROJECT WORK costs may exceed the not-to-exceed amount identified in Section I, Paragraph 1, CITY shall inform SBCTA of this determination and thereafter the Parties shall work together in an attempt to agree upon an amendment to the PROJECT WORK amounts identified in this AGREEMENT. In no event, however, shall SBCTA be responsible for PROJECT WORK costs in excess of the amounts identified herein absent a written amendment to this AGREEMENT that is approved and signed by both Parties.

4. Eligible PROJECT WORK reimbursements shall include only those costs incurred by CITY for PROJECT WORK-specific work activities that are described in this AGREEMENT and shall not include escalation or interest.

5. Neither SBCTA nor any officer or employee thereof is responsible for any injury, damage or liability occurring or arising by reason of anything done or omitted to be done by CITY under or in connection with any work, authority or jurisdiction delegated to CITY under this AGREEMENT. It is understood and agreed that, pursuant to Government Code Section 895.4, CITY shall fully defend, indemnify and save harmless SBCTA, its officers and employees from all claims, suits or actions of every name, kind and description brought for or on account of injury (as defined by Government Code Section 810.8) occurring by reason of anything done or omitted to be done by CITY under or in connection with any work, authority or jurisdiction delegated to CITY under this AGREEMENT. CITY's indemnification obligation applies to SBCTA's "active" as well as "passive" negligence but does not apply to SBCTA's "sole negligence" or "willful misconduct" within the meaning of Civil Code Section 2782.

6. Neither CITY nor any officer or employee thereof is responsible for any injury, damage or liability occurring or arising by reason of anything done or omitted to be done by SBCTA under or in connection with any work, authority or jurisdiction delegated to SBCTA under this AGREEMENT. It is understood and agreed that, pursuant to Government Code Section 895.4, SBCTA shall fully defend, indemnify and save harmless CITY, its officers and employees from all claims, suits or actions of every name, kind and description brought for or on account of injury (as defined by Government Code Section 810.8) occurring by reason of anything done or omitted to be done by SBCTA under or in connection with any work, authority or jurisdiction delegated to SBCTA under this AGREEMENT. SBCTA's indemnification obligation applies to CITY's "active" as well as "passive" negligence but does not apply to CITY's "sole negligence" or "willful misconduct" within the meaning of Civil Code Section 2782.

7. In the event CITY and/or SBCTA are found to be comparatively at fault for any claim, action, loss or damage which results from their respective obligations under this AGREEMENT, CITY and/or SBCTA shall indemnify the other to the extent of its comparative fault.

8. This AGREEMENT will be considered terminated upon reimbursement of all eligible costs by SBCTA or July 31, 2031, whichever is sooner, provided that the provisions of

Paragraphs 5, 6, 7, 8, 9, and 10 of Section II, and Paragraphs 5, 6 and 7 of Section III, shall survive the termination of this AGREEMENT.

9. SBCTA may terminate this AGREEMENT if CITY fails to perform according to the terms of this AGREEMENT and if this failure jeopardizes the delivery of the PROJECT WORK according to the terms herein.

10. No amendment, modification or supplement of this AGREEMENT shall be valid or binding unless made in writing and signed and approved by authorized representatives of both Parties. The requirement for written amendments, modifications or supplements cannot be waived and any attempted waiver shall be void and invalid.

11. Any notice, demand, request, consent or approval that either Party desires or is required to give to the other Party under this AGREEMENT shall be in writing. Notices may be transmitted by any of the following means: (a) by delivery in person; (b) by certified U.S. mail, return receipt requested, postage prepaid; (c) by prepaid overnight delivery service, with signature on delivery receipt requested; or (d) by electronic means. Any such notice, demand, or other communication shall be deemed given or served only upon confirmed receipt by the addressee. This Section shall not be construed to apply to day-to-day administrative communications between the Parties. Either Party to this AGREEMENT may change its name, address, email address, or person to whom attention should be directed, for purposes of this AGREEMENT, by giving notice as specified in this Section. Notices, demands, invoices and other communications shall be sent to:

CITY:	CITY OF VICTORVILLE Keith C. Metzler City Manager 14343 Civic Drive PO Box 5001 Victorville, CA 92392 kmetzler@victorvilleca.gov
SBCTA:	SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY Ryan Graham Director of Fund Administration 1170 W. 3rd St, 2nd Floor rgraham@gosbcta.com

12. This AGREEMENT shall be interpreted and governed according to the laws of the State of California. In the event of litigation between the Parties, venue of any such litigation shall be exclusively in San Bernardino County, California.

13. The Recitals to this AGREEMENT are true and correct and are incorporated into this AGREEMENT.

14. Attachment A (Description of Project and Milestones) and Attachment B (Summary of Estimated Costs) are attached to and incorporated into this AGREEMENT.

15. The AGREEMENT may be signed in counterparts, each of which shall constitute an original.

16. This AGREEMENT is effective upon execution by both Parties (the "Effective Date") and shall be dated on the date executed by the later Party.

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

IN WITNESS WHEREOF, the Parties have executed this AGREEMENT by their authorized signatures below.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

By: ________________________________
Joe Baca, Jr., President
Board of Directors

Date: ________________________________

APPROVED AS TO FORM:

By: ________________________________
Iain MacMillan
Assistant General Counsel

Date: ________________________________

CITY OF VICTORVILLE

By: ________________________________
Elizabeth Becerra
City Mayor

Date: ________________________________

ATTEST:
By: ________________________________
Jennifer Thompson
City Clerk

Date: ________________________________

APPROVED AS TO FORM:

By: ________________________________
Andre de Bortnowsky
City Attorney

Date: ________________________________

By: ________________________________
Sandra Bostick
City Risk Manager

Date: ________________________________

Attachment A

MOJAVE DRIVE PROJECT
Description of Project and Milestones

Project Title	
Mojave Drive Improvements Project	
Location, Project Limits, Description, Scope of Work, Legislative Description	
On Mojave Drive from Amargosa Road to 7th Street. Reconstruct roadways, install traffic signals, upgrade curb ramps, construct sidewalks and driveways.	
Project Milestone	**Proposed**
Project Study Report Approved	2/12/2027
Begin Environmental (PA/ED) Phase	3/1/2027
Circulate Draft Environmental Document	6/7/2027
Draft Project Report	8/27/2027
End Environmental Phase (PA/ED Milestone)	11/30/2027
Begin Design (PS&E) Phase	6/18/2027
End Design Phase (Ready to List for Advertisement Milestone)	9/14/2027
Begin Right of Way Phase	12/9/2027
End Right of Way Phase (Right of Way Certification Milestone)	8/6/2028
Begin Construction Phase (Contract Award Milestone)	3/21/2029
End Construction Phase (Construction Contract Acceptance Milestone)	11/29/2030
Begin Closeout Phase	11/29/2030
End Closeout Phase (Closeout Report)	7/31/2031

ATTACHMENT B

MOJAVE DRIVE IMPROVEMENTS PROJECT
Summary of Estimated Costs

Phase	Total Cost	Public Share Funds (1)	CITY Funds
Project Approval and Environmental Documentation	$306,000	$156,060	$149,940
Plans, Specifications, and Estimates	$567,000	$289,170	$277,830
Right of Way	$2,202,000	$1,123,020	$1,078,980
Construction	$5,800,000	$2,958,000	$2,842,000
TOTAL	**$8,875,000**	**$4,526,250**	**$4,348,750**

Additional Notes:

1. Public Share funds can be from sources under control of SBCTA, including but not limited to, Measure I Major Local Highways Program, State Transportation Improvement Program, Surface Transportation Block Grant Program, or other funds without necessitating an amendment of this Agreement. Funding can be moved between phases without necessitating an amendment of this agreement unless limited by State or Federal programming or authorizations.

Additional Information

MOUNTAIN/DESERT POLICY COMMITTEE ATTENDANCE RECORD – 2026

Name	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Daniel Ramos City of Adelanto		X				X*						
Art Bishop Town of Apple Valley		X		X		X						
Timothy R. Silva City of Barstow		X		X		X						
Rick Herrick City of Big Bear Lake												
Josh Pullen City of Hesperia				X		X						
Janet Jernigan City of Needles				X		X						
Dan Mintz City of Twentynine Palms		X		X		X						
Bob Harriman City of Victorville		X				X						
Rick Denison Town of Yucca Valley		X										
Paul Cook County of San Bernardino												
Dawn Rowe County of San Bernardino												

X = Member attended meeting * = Alternate member attended meeting Empty box = Member did not attend meeting Crossed out box = Not a Committee Member at the time
Shaded box = No meeting

This list provides information on acronyms commonly used by transportation planning professionals. This information is provided in an effort to assist Board Members and partners as they participate in deliberations at Board meetings. While a complete list of all acronyms which may arise at any given time is not possible, this list attempts to provide the most commonly-used terms. Staff makes every effort to minimize use of acronyms to ensure good communication and understanding of complex transportation processes.

AB	Assembly Bill
ACFR	Annual Comprehensive Financial Report
ACT	Association for Commuter Transportation
ADA	Americans with Disabilities Act
APTA	American Public Transportation Association
AQMP	Air Quality Management Plan
ARRA	American Recovery and Reinvestment Act
ATC	San Bernardino County Auditor-Controller/Treasurer/Tax Collector
ATMIS	Advanced Transportation Management Information Systems
BAT	Barstow Area Transit
CALACT	California Association for Coordination Transportation
CALCOG	California Association of Councils of Governments
CALSAFE	California Committee for Service Authorities for Freeway Emergencies
CAMP	California Asset Management Program
CARB	California Air Resources Board
CEQA	California Environmental Quality Act
CMAQ	Congestion Mitigation and Air Quality
CMIA	Corridor Mobility Improvement Account
CMP	Congestion Management Program
CNG	Compressed Natural Gas
COG	Council of Governments
CPUC	California Public Utilities Commission
CSAC	California State Association of Counties
CTA	California Transit Association
CTC	California Transportation Commission or County Transportation Commission
CTP	Comprehensive Transportation Plan
DBE	Disadvantaged Business Enterprise
DOT	Department of Transportation
EA	Environmental Assessment
E&D	Elderly and Disabled
E&H	Elderly and Handicapped
EIR	Environmental Impact Report (California)
EIS	Environmental Impact Statement (Federal)
EPA	Environmental Protection Agency
ERP	Enterprise Resource Planning
FHWA	Federal Highway Administration
FSP	Freeway Service Patrol
FRA	Federal Railroad Administration
FTA	Federal Transit Administration
FTIP	Federal Transportation Improvement Program
GAAP	Generally Accepted Accounting Principals
GA Dues	General Assessment Dues
GASB	Governmental Accounting Standards Board
GFOA	Government Finance Officers Association
GIS	Geographic Information Systems
HOV	High-Occupancy Vehicle
ICAP	Indirect Cost Allocation Plan
IEEP	Inland Empire Economic Partnership
IREN	Inland Regional Energy Network
ISTEA	Intermodal Surface Transportation Efficiency Act of 1991
IIP/ITIP	Interregional Transportation Improvement Program
ITOC	Independent Taxpayer Oversight Committee
ITS	Intelligent Transportation Systems
IVDA	Inland Valley Development Agency

LACMTA	Los Angeles County Metropolitan Transportation Authority
LAIF	Local Agency Investment Fund
LAPM	Local Assistance Procedures Manual - Caltrans
LNG	Liquefied Natural Gas
LTF	Local Transportation Funds
MARTA	Mountain Area Regional Transportation Authority
MBTA	Morongo Basin Transit Authority
MDAB	Mojave Desert Air Basin
MDAQMD	Mojave Desert Air Quality Management District
MOU	Memorandum of Understanding
MPO	Metropolitan Planning Organization
MSRC	Mobile Source Air Pollution Reduction Review Committee
NAT	Needles Area Transit
NEPA	National Environmental Policy Act
OA	Obligation Authority
OCTA	Orange County Transportation Authority
ONT	Ontario International Airport
PACE	Property Assessed Clean Energy
PA/ED	Project Approval and Environmental Document
PASTACC	Public and Specialized Transportation Advisory and Coordinating Council
PDT	Project Development Team
PNRS	Projects of National and Regional Significance
PPM	Planning, Programming and Monitoring Funds
PS&E	Plans, Specifications and Estimates
PSR	Project Study Report
PTA	Public Transportation Account
PTC	Positive Train Control
PTMISEA	Public Transportation Modernization, Improvement and Service Enhancement Account
RCTC	Riverside County Transportation Commission
RDA	Redevelopment Agency
RFP	Request for Proposal
RIP	Regional Improvement Program
RSTIS	Regionally Significant Transportation Investment Study
RTIP	Regional Transportation Improvement Program
RTP	Regional Transportation Plan
RTPA	Regional Transportation Planning Agencies
SB	Senate Bill
SAFE	Service Authority for Freeway Emergencies
SBCERA	San Bernardino County Employees' Retirement Association
SCAB	South Coast Air Basin
SCAG	Southern California Association of Governments
SCAQMD	South Coast Air Quality Management District
SCCP	Solutions for Congested Corridors Program
SCRRA	Southern California Regional Rail Authority
SHA	State Highway Account
SHOPP	State Highway Operations and Protection Program
SRTP	Short Range Transit Plan
SGR	State of Good Repair Funds
STA	State Transit Assistance Funds
STIP	State Transportation Improvement Program
STP	Surface Transportation Block Grant Program
TAC	Technical Advisory Committee
TCEP	Trade Corridor Enhancement Program
TCIF	Trade Corridor Improvement Fund
TCM	Transportation Control Measure
TCRP	Traffic Congestion Relief Program
TDA	Transportation Development Act
TIFIA	Transportation Infrastructure Finance and Innovation Act
TIRCP	Transit and Intercity Rail Capital Program
TMC	Transportation Management Center

TMEE	Traffic Management and Environmental Enhancement
TSM	Transportation Systems Management
UAAL	Unfunded Actuarial Accrued Liability
USFWS	United States Fish and Wildlife Service
VMT	Vehicle Miles Traveled
VCTC	Ventura County Transportation Commission
VVTA	Victor Valley Transit Authority
WRCOG	Western Riverside Council of Governments

MISSION STATEMENT

Our mission is to improve the quality of life and mobility in San Bernardino County. Safety is the cornerstone of all we do.

We achieve this by:

- Making all transportation modes as efficient, economical, and environmentally responsible as possible.
- Envisioning the future, embracing emerging technology, and innovating to ensure our transportation options are successful and sustainable.
- Promoting collaboration among all levels of government.
- Optimizing our impact in regional, state, and federal policy and funding decisions.
- Using all revenue sources in the most responsible and transparent way.

Approved December 4, 2019