

REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION

AUGUST 24, 2004

FROM: THOMAS L. SUTTON, Director
Special Districts Department

SUBJECT: SERVICE SEPARATION AGREEMENT BY AND BETWEEN COUNTY SERVICE
AREA 70, IMPROVEMENT ZONE J (OAK HILLS) AND HESPERIA WATER
DISTRICT (DISTRICT)

RECOMMENDATION: Acting as the governing body of County Service Area 70, Improvement Zone J (Oak Hills), approve **Agreement No. 04-904** with the Hesperia Water District (District), that supercedes the existing April 18, 1991 agreement and allows for the separation of water systems and service in that area identified in the original agreement and generally located west of Topaz Avenue.

BACKGROUND INFORMATION: In the early 1990's, the City of Hesperia began annexing land within its Sphere of Influence and located within the service boundary of County Service Area 70, Improvement Zone J (CSA 70 J). The first annexation included that portion of CSA 70 J generally located south and west of the California Aqueduct, east of Interstate 15 and north of Cedar Street. The District did not have the facilities to serve the newly annexed area, so on April 18, 1991, the District entered into an agreement with CSA 70 J to provide water service on an interim basis until such time as the District could construct a backbone water system to serve the area. The "backbone" water system required was described in a plan identified as the "City of Hesperia Annexation Study Proposed Water System", prepared by So & Associates Engineers, Inc., which was attached and made a part of the agreement by reference. The agreement also detailed the procedure for billing customers and charges for payment by District to CSA 70 J. The agreement did not specify a term for construction of the backbone water system and completion of the separation of the water systems. CSA 70 J currently provides water to the District to supply approximately 30 commercial and residential accounts in the annexed area. The current rate of growth in both the City and County areas necessitates the completion of the separation of the water systems and water service.

Approval of this agreement supercedes the original agreement, sets terms and conditions for completion of the separation of the CSA 70 J water system and construction of the backbone water system by the District, identifies pipelines no longer required for the CSA 70 J water system and to be granted to the District, and outlines fiscal responsibilities required in order to accomplish the separation of the water systems. The District will be responsible for the preparation of plans and construction of all work necessary to complete the separation, including the installation of new pipelines that will allow CSA 70 J to maintain the current level of service to all of its customers. CSA 70 J will transfer ownership of specific pipelines and appurtenances identified in the agreement to the District. CSA 70 J will continue to serve the customers impacted by the transfer as the terms of the agreement are executed and until such time as the transfer of pipelines or construction by District of facilities to serve the area are in place and within the term specified in the agreement.

REVIEW AND APPROVAL BY OTHERS: This action has been reviewed and approved by County Counsel (Daniel B. Haueter, Chief Deputy, 387-5467) on August 10, 2004 and by the County Administrative Office, (Wayne Thies, Administrative Analyst, 387-5409) on August 13, 2004.

FINANCIAL IMPACT: There are no financial obligations to CSA 70 J associated with this agreement.

SUPERVISORAL DISTRICT: First

PRESENTER: Thomas L. Sutton 387-9625

cc: Special Districts- Sutton w/
agreement
Contractor w/ agreement
IDS w/ agreement
Auditor- Valdez w/ agreement
Risk Management
County Counsel- Haueter
CAO- Thies
ED/PSG- Kanold
File w/ agreement

rm

Record of Action of the Board of Supervisors
Agreement No. 04-904
APPROVED (CONSENT CALENDAR)
BOARD OF SUPERVISORS
COUNTY OF SAN BERNARDINO
SECOND COUNTY WIDE AYE AYE MOVE
1 4 5
J. RENE BASTIEN, CLERK OF THE BOARD
BY 
DATED: August 24, 2004

ITEM 037



District
F A S

CONTRACT TRANSMITTAL

FOR COUNTY USE ONLY

<input checked="" type="checkbox"/> New	Vendor Code		SC	Dept.	A	Contract Number 04- 904			
<input type="checkbox"/> Change						Contractor's License No.			
<input type="checkbox"/> Cancel						Total Contract Amount			
County Department County Service Area 70, Improvement Zone J (Oak Hills)			Dept.		Orgn.				
County Department Contract Representative Thomas Sutton			Telephone (909) 387-9625						
Contract Type <input type="checkbox"/> Revenue <input type="checkbox"/> Encumbered <input type="checkbox"/> Unencumbered <input type="checkbox"/> Other:									
If not encumbered or revenue contract type, provide reason: _____									
Commodity Code		Contract Start Date		Contract End Date		Original Amount	Amendment Amount		
Fund	Dept.	Organization	Appr.	Obj/Rev Source	GRC/PROJ/JOB No.	Amount			
Fund	Dept.	Organization	Appr.	Obj/Rev Source	GRC/PROJ/JOB No.	Amount			
Fund	Dept.	Organization	Appr.	Obj/Rev Source	GRC/PROJ/JOB No.	Amount			
Project Name				Estimated Payment Total by Fiscal Year					
Service Separation Agreement For Hesperia Reorganization				FY	Amount	I/D	FY	Amount	I/D
Between CSA 70				_____	_____	_____	_____	_____	_____
Zone J (Oak Hills) and Hesperia Water District				_____	_____	_____	_____	_____	_____

CONTRACTOR HESPERIA WATER DISTRICT

Contractor's Federal ID No. or Social Security No. _____

Contractor's Representative Mike Podegracz

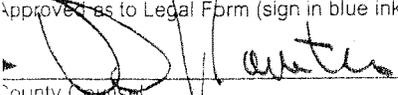
Address 15776 Main Street, Hesperia, CA 92345

Phone (760) 947-1438

Nature of Contract: *(Briefly describe the general terms of the contract)*

Acting as the governing body of County Service Area 70, Improvement Zone J (Oak Hills), approve Agreement No. 04-____ with the Hesperia Water District (District), that supercedes the existing April 18, 1991 agreement and allowing for the separation of water systems and service in that area identified in the original agreement and generally located west of Topaz Avenue.

(Attach this transmittal to all contracts not prepared on the "Standard Contract" form.)

Approved as to Legal Form (sign in blue ink)  County Counsel	Reviewed as to Contract Compliance _____ Date _____	Presented to BOS for Signature  Department Head Date <u>8-18-04</u>
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Auditor/Controller-Recorder Use Only

<input type="checkbox"/> Contract Database	<input type="checkbox"/> FAS
Input Date	Keyed By

**AGREEMENT
BETWEEN
HESPERIA WATER DISTRICT AND
COUNTY SERVICE AREA 70, IMPROVEMENT ZONE J**

THIS AGREEMENT is made and entered into this 24th day of Aug, 2004, by and between the City of Hesperia, on behalf of the Hesperia Water District, a subsidiary district of the City of Hesperia, hereinafter referred to as DISTRICT; and County Service Area 70, Improvement Zone J, hereinafter referred to as CSA 70J,

WITNESSETH

WHEREAS, DISTRICT and CSA 70J are public agencies authorized to provide water service within their boundaries; and

WHEREAS, DISTRICT and CSA 70J entered into an Agreement on April 18, 1991 that identified water service responsibilities of DISTRICT and CSA 70J within the area identified on Figure 3 of a report titled "Evaluation of Separating a Portion of County Service Area 70, Improvement Zone J Water System and Connecting to Hesperia Water District", dated April 16, 1990; and

WHEREAS, it appears to be in the best interests of DISTRICT and CSA 70J that the separation of the individual water systems within that portion of the City of Hesperia limits located west of Topaz Avenue be completed, and that customers located within these City limits receive direct service by DISTRICT; and

WHEREAS, DISTRICT and CSA 70J have prepared a separation plan as shown on Exhibit "A" that maintains the level of service to CSA 70J customers; and

WHEREAS, it appears to be in the best interests of DISTRICT and CSA 70J to replace the existing Agreement dated April 18, 1991 with a new agreement detailing the separation of DISTRICT and CSA 70J facilities.

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

1. DISTRICT shall be responsible for the preparation of engineering plans, advertisement for construction bids, and construction of all work necessary to complete the separation of DISTRICT and CSA 70J facilities as identified on Exhibit "A" at no cost to CSA 70J. This work shall include, but not be limited to, pipeline connections, pipeline disconnections, and installation of new pipelines and appurtenances identified on Exhibit "B". All work identified on Exhibit "B" shall be completed within one (1) year from the effective date of this Agreement.

2. CSA 70J shall transfer ownership of all pipelines and appurtenances identified on Exhibit "A" and Exhibit "C" to DISTRICT at no cost to DISTRICT. Individual pipeline segments shall be transferred from CSA 70J to DISTRICT as individual system connections and/or disconnections are completed.

3. DISTRICT shall install a metered inter-tie at Highway 395 and Main Street to provide emergency fire flow service to CSA 70J system located north of Main Street/Phelan Road at no cost to CSA 70J. DISTRICT and CSA 70J shall also maintain existing metered inter-tie at the DISTRICT Plant 19 site. Terms and conditions for the utilization of these inter-ties will be set forth under a separate agreement.

4. DISTRICT and CSA 70J will reconcile the amount of water delivered to CSA 70J from DISTRICT at the existing inter-tie at DISTRICT'S Plant 19 site and the amount of water used by City customers in the Separation area. District shall pay CSA 70J \$0.62 per hundred cubic feet for this water, and all water used by District customers until the separation is complete, or replace a like number of cubic feet of water into CSA 70J's system through the existing inter-tie.

5. CSA 70J shall be responsible for the preparation of engineering plans, advertisement for construction bids, and construction of the "Los Banos Avenue" pipeline, which will replace the transmission pipelines in Highway 395

and Cataba Avenue that will be transferred from CSA 70J to DISTRICT. DISTRICT shall pay one-half of all costs associated with the preparation for and construction of the pipeline (total estimated cost is \$900,000). DISTRICT shall deposit of \$450,000 within thirty (30) days of the award of a construction contract for the pipeline by CSA 70J. CSA 70J shall reconcile final cost within sixty (60) days following completion of the project, and refund any overpayment to DISTRICT within said time period.

6. CSA 70J will continue to provide service to the Assessor Parcel Numbers 405-363-31 (Mesquite Trails Elementary School), 3064-531-04 and 3064-531-03 until such time that DISTRICT construct new pipelines to serve these properties. DISTRICT shall provide CSA 70J with bi-monthly meter consumption readings and pay CSA 70J at the District's highest tiered water rate, as adopted for the applicable fiscal year, for water used at these three properties.

7. This Agreement shall become effective upon approval by both parties and shall remain in effect for a period of ten (10) years from the date of approval, or until terminated by mutual agreement of both parties.

8. The DISTRICT shall indemnify, defend, and hold harmless CSA 70J, the County of San Bernardino and their authorized agents, officers, and employees against any and all claims or actions arising from DISTRICT'S acts or omissions and for any costs or expenses incurred by CSA 70J, County or DISTRICT on account of any claim therefore.

9. CSA 70J shall indemnify, defend, and hold harmless DISTRICT, the City of Hesperia and their authorized agents, officers, and employees against any and all claims or actions arising from CSA 70J'S acts or omissions and for any costs or expenses incurred by DISTRICT, the City or CSA 70J on account of any claim therefore.

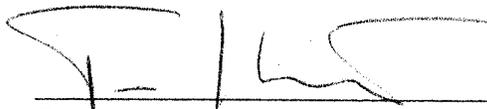
10. This Agreement constitutes the entire agreement of the parties. No verbal agreement or statement made by either party prior to execution hereof shall be effective unless set forth in this Agreement. Any amendments to this Agreement will be effective only if made in writing and signed by both parties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

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

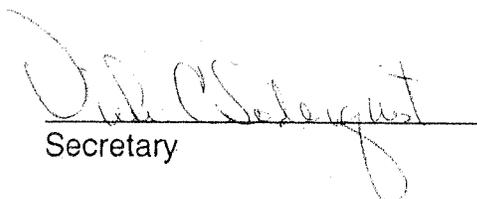
To DISTRICT: Hesperia Water District
15776 Main Street
Hesperia, CA 92345
To CSA 70J: Special Districts Department
Water and Sanitation Operations
12403 Industrial Blvd., Bldg. D, Suite 6
Victorville, CA 92392

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

HESPERIA WATER DISTRICT

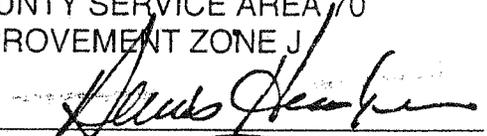


President



Secretary

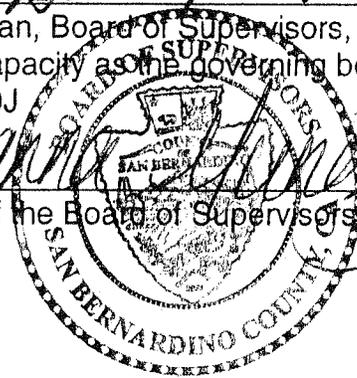
COUNTY SERVICE AREA 70
IMPROVEMENT ZONE J



Chairman, Board of Supervisors, acting
In its capacity as the governing body of
CSA 70J



Clerk of the Board of Supervisors Deputy





LEGEND

- CITY BOUNDARY
- CITY PIPELINE
- C.S.A. 70-1 PIPELINE
- NEW 24" C.S.A. 70-1 TRANSMISSION PIPELINE
- NEW CITY PIPELINE
- NEW COUNTY PIPELINE
- C.S.A. 70-1 PIPELINE
- CONNECTION POINTS
- DISSECTION POINTS

EXHIBIT "A"
CITY OF HESPERIA
 ZONE J
 CONNECTION AND



EXHIBIT B - ZONE J. SEPARATION

CONNECT, DISCONNECT POINTS	LOCATION	SCOPE OF WORK	COST
C-01	Amaragosa south of Palmetto	Expose and verify existing piping configuration with corresponding construction plan(s). Connect District's 12" and CSA 70J's 6" pipeline if necessary.	\$2,530.00
C-02	Intersection of Cataba and White Fox Trail	Expose and verify existing piping configuration with corresponding construction plan(s). Connect District's 12" and CSA 70J's 12" pipeline if necessary.	4,880.00
C-03	White Fox Trail east of Cataba	Expose and verify existing piping configuration with corresponding construction plan(s). Connect District's 12" and CSA 70J's 12" pipeline if necessary.	4,880.00
C-04	Intersection of Cataba and Amaragosa	Expose and verify existing piping configuration with corresponding construction plan(s). Connect District's 12" and CSA 70J's 12" pipeline if necessary.	4,880.00
C-05	Intersection of Coyote Trail and Amaragosa	Expose and verify existing piping configuration with corresponding construction plan(s). Connect District's 12", 8" and CSA 70J's 8", 6" pipeline if necessary.	5,780.00
C-06	Intersection of Mesa Linda and West Main Street	Expose and verify existing piping configuration with corresponding construction plan(s). Connect District's 12", 8" and CSA 70J's 8" pipeline if necessary.	11,520.00
C-07	Intersection of Cataba and West Main Street	Expose and verify existing piping configuration with corresponding construction plan(s). Connect District's 12", 8" and CSA 70J's 6" pipeline if necessary.	13,450.00
Sub total			\$47,920.00

CONNECT, DISCONNECT POINTS	LOCATION	SCOPE OF WORK	COST
C-08	Intersection of Maraposa and Coyote Trail	Expose and verify existing piping configuration with corresponding construction plan(s). Connect District's 12" and CSA 70J's 12" bore if necessary.	13,570.00
C-09	Intersection of Hwy 395 and Sultana	Expose and verify existing piping configuration with corresponding construction plan(s). Connect District's 12" and CSA 70J's 8" pipeline if necessary.	3,670.00
C-10	Intersection of Sultana and Coyote Trail	Expose and verify existing piping configuration with corresponding construction plan(s). Connect District's 12" and CSA 70J's 8" pipeline if necessary.	2190
C-11	Intersection of Sultana and Escondido	Expose and verify existing piping configuration with corresponding construction plan(s). Connect District's 12" and CSA 70J's 8" pipeline if necessary.	2,520.00
C-12	Intersection of Hwy 395 and Poplar	Expose and verify existing piping configuration with corresponding construction plan(s). Connect District's 12" and CSA 70J's 8" pipeline if necessary.	4,400.00
C-13	Intersection of Poplar and Amaragosa	Expose and verify existing piping configuration with corresponding construction plan(s). Connect District's 12" and CSA 70J's 12" pipeline if necessary.	9,110.00
C-14	Lassen between Poplar and Scarbrough	Expose and verify existing piping configuration with corresponding construction plan(s). Connect District's 12" and CSA 70J's 12" pipeline if necessary.	5,800.00
		Sub Total	41,260.00

CONNECT, DISCONNECT POINTS	LOCATION	SCOPE OF WORK	COST
C-15	Intersection of Muscatel and Caliente	Expose and verify existing piping configuration with corresponding construction plan(s). Connect District's 16" and CSA 70J's 8" pipeline if necessary.	10,450.00
C-16	Intersection of Muscatel and Hwy 395	Expose and verify existing piping configuration with corresponding construction plan(s). Connect District's 12" and CSA 70J's 8" pipeline if necessary.	71,940.00
C-17	Amaragosa north of Muscatel	Expose and verify existing piping configuration with corresponding construction plan(s). Connect District's 12" and CSA 70J's 12" pipeline if necessary.	28,600
C-18	Intersection of Muscatel and Escondido	Expose and verify existing piping configuration with corresponding construction plan(s). Connect District's 12" and CSA 70J's 8" pipeline if necessary.	14,550.00
C-19	Intersection of Hwy 395 and Three Flags	Expose and verify existing piping configuration with corresponding construction plan(s). Connect District's 12" and CSA 70J's 8" pipeline if necessary.	3,890.00
C-20	Intersection of Hwy 395 and Joshua	Expose and verify existing piping configuration with corresponding construction plan(s). Connect District's 8" and CSA 70J's 8" pipeline if necessary.	2,810.00
		Sub Total	132,240.00

CONNECT, DISCONNECT POINTS	LOCATION	SCOPE OF WORK	COST
D-01	Mariposa and Cedar	Expose and verify existing piping configuration with corresponding construction plan(s). Disconnect from existing CSA 70J's 8" pipe and connect to new pipe P-1	2,580.00
D-02	Muscatel and Cataba	Expose and verify existing piping configuration with corresponding construction plan(s). Disconnect from existing CSA 70J's 8" pipe and connect to new pipe P-2	2,580.00
D-03	Palm and Escondido	Expose and verify existing piping configuration with corresponding construction plan(s). Disconnect from existing District's 8" pipe on Escondido P-3	2,580.00
D-04	Palm and Mesa	Expose and verify existing piping configuration with corresponding construction plan(s). Disconnect from existing CSA 70J's 8" pipe in Palm Street P-3	2,580.00
D-05	Bandicoot between Cedar and Muscatel	Expose and verify existing piping configuration with corresponding construction plan(s). Disconnect from existing CSA 70J pipe and connect to new pipe P-4	2,580.00
D-06	Hwy 395 and West Main	Install metered pressure reducing station to serve CSA 70J area north of Main Street/Phelan Road.	33,750.00
		Sub Total	46,650.00

CONNECT, DISCONNECT POINTS	LOCATION	SCOPE OF WORK	COST
P-01	Cedar St. between Mariposa and Mesa Linda	Install 1,300 feet of new 8" pipeline and connect to existing CSA 70J's 8" pipeline.	36,440.00
P-02	Muscatel St. between Turquoise and Coyote	Install 1,700 feet of new 12-inch pipeline and connect to existing CSA 70J's 8" pipeline on Cataba Avenue.	64,990.00
P-03	Palm St. between Escondido and Mesa	Install 1,400 feet of new 8" District pipeline and connect to District's 12" pipe on Escondido and CSA 70J's 8" pipe on Mesa.	37,490.00
P-04	Fuente Ave. between Palm and Bandicoot	Install 2,100 feet of new 8" pipeline with a new pressure reducing station and connect to existing CSA 70J 8" pipeline.	71,220.00
P-05	Cedar St., Sage Street, and Longview St.	Install 5,800 feet of new 12" and 8" District pipeline and connect to District's 12" pipe on Escondido.	172,670.00
		Sub Total	382,810.00
		Grand Total	\$650,880.00

EXHIBIT "C"
HWD AND CSA 70J SEPARATION AGREEMENT

<u>STREET</u>	<u>FROM</u>	<u>TO</u>	<u>SIZE</u>	<u>LENGTH</u>
Amarogosa	West Main	Live Oak	6"	3,835 LF
White Fox Trail	Cataba	West of Coyote Trail	12"	676 LF
Cataba	West Main	Amargosa	12"	729 LF
Cataba	Amarogosa	White Fox Trail	12"	401 LF
West Main	Highway 395	Mesa Linda	12"	2,617 LF
West Main	Mesa Linda	Cataba	12"	1,293 LF
Cataba	West Main	Sultana	12"	2,528 LF
Sultana	Mariposa	Coyote Trail	8"	1,100 LF
Cedar Lane	South of Sultana	Holister	6"	935 LF
Holister	Cedar Lane	Fuente	8"	565 LF
Highway 395	West Main	Cedar	8"	7874 LF
Amarogosa	Sultana	Muscatel	12"	3,116 LF
Mariposa	South of Emerald	Cedar	8"	8,125 LF
Fuente	Holister	Muscatel	8"	1,334 LF
Escondido	Sultana	Muscatel	8"	2,541 LF
Muscatel	Escondido	Bandicoot	8"	4,000 LF
Mesa	Muscatel	Palm	8"	1,293 LF
Palm	Escondido	Mesa		1,260 LF
Bandicoot	Muscatel	North of Palm	8"	638 LF
Muscatel	Mariposa	Coyote Trail	12"	2,888 LF
Cedar	Highway 395	Mariposa	8"	1,424 LF
Caliente	Muscatel	Aspen	8"	421 LF
Aspen	300 West of Caliente	Caliente	6"	294 LF
Aspen	Lassen	Amargosa	12"	1,280 LF

REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION

AUGUST 24, 2004

FROM: THOMAS L. SUTTON, Director
Special Districts Department

SUBJECT: SERVICE SEPARATION AGREEMENT FOR HESPERIA
REORGANIZATION No. 2003-01 BY AND BETWEEN COUNTY SERVICE
AREA 70, IMPROVEMENT ZONE J (OAK HILLS) AND HESPERIA
WATER DISTRICT (DISTRICT)

RECOMMENDATION: Acting as the governing body of County Service Area 70, Improvement Zone J (Oak Hills), approve Agreement No. 04-905 with the Hesperia Water District (District) for the separation of water systems and service, in conjunction with the proposed annexation of approximately 849 acres of that portion of Oak Hills generally located east and west of Highway 395 and north of Phelan Road.

BACKGROUND INFORMATION: On December 19, 2003, the City of Hesperia submitted Hesperia Reorganization No. 2003-01 to the Local Agency Formation Commission (LAFCO), LAFCO #2952, for the reorganization of certain property in the City's Sphere of Influence and within County Service Area 70, Improvement Zone J (CSA 70 J). The reorganization action, if successful, includes the annexation of the area into the City of Hesperia, and the transfer of services. CSA 70 J currently provides water service to both commercial and residential properties within the reorganization area. This agreement sets the terms and requirements for transfer of water service. The current rate of growth in both the City and County areas necessitates the reorganization of the area and the separation of the water systems and water service.

Approval of this agreement will set terms and conditions for the separation of the CSA 70 J water system, construction of water system improvements by the District, identify pipelines no longer required for the CSA 70 J water system and to be granted to the District, and outline fiscal responsibilities required in order to accomplish the separation of the water systems. The District will be responsible for the preparation of plans and construction of all work necessary to complete the separation, including the installation of new pipelines that will allow CSA 70 J to maintain the current level of service to its customers. CSA 70 J will transfer ownership of specific pipelines and appurtenances identified in the agreement to District. CSA 70 J will continue to serve the customers impacted by the transfer as the terms of the agreement are executed and until such time as the transfer of pipelines or construction by District of facilities to serve the area are in place and within the term specified in the agreement.

REVIEW AND APPROVAL BY OTHERS: This action has been reviewed and approved by County Counsel (Daniel B. Haueter, Chief Deputy, 387-5467) on August 10, 2004 and by the County Administrative Office, (Wayne Thies, Administrative Analyst, 387-5409) on August 13, 2004.

FINANCIAL IMPACT: There are no financial obligations to CSA 70 J associated with this agreement.

SUPERVISORAL DISTRICT: First

PRESENTER: Thomas L. Sutton (387-9625)

cc: Special Districts- Sutton w/
agreement
Contractor w/ agreement
IDS w/ agreement
Auditor- Valdez w/ agreement
Risk Management
County Counsel- Haueter
CAO -Thies
ED/PSG- Kanold
File w/ agreement

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Record of Action of the Board of Supervisors
Agreement No. 04-905

APPROVED (CONSENT CALENDAR)
BOARD OF SUPERVISORS
COUNTY OF SAN BERNARDINO
MOTION SECOND AYE AYE MOVE
3 4 5
J. RENEE PASJAN, CLERK OF THE BOARD
BY 
DATED: August 24, 2004



District

F A S

CONTRACT TRANSMITTAL

<input checked="" type="checkbox"/> New	Vendor Code		SC	Dept.	A	Contract Number			
<input type="checkbox"/> Change						04- 905			
<input type="checkbox"/> Cancel									
County Department				Dept.	Orgn.	Contractor's License No.			
County Service Area 70, Improvement Zone J (Oak Hills)									
County Department Contract Representative				Telephone		Total Contract Amount			
Thomas Sutton				(909) 387-9625					
Contract Type									
<input type="checkbox"/> Revenue <input type="checkbox"/> Encumbered <input type="checkbox"/> Unencumbered <input type="checkbox"/> Other:									
If not encumbered or revenue contract type, provide reason:									
Commodity Code		Contract Start Date		Contract End Date		Original Amount	Amendment Amount		
Fund	Dept.	Organization	Appr.	Obj/Rev Source	GRC/PROJ/JOB No.	Amount			
Fund	Dept.	Organization	Appr.	Obj/Rev Source	GRC/PROJ/JOB No.	Amount			
Fund	Dept.	Organization	Appr.	Obj/Rev Source	GRC/PROJ/JOB No.	Amount			
Project Name				Estimated Payment Total by Fiscal Year					
Service Separation Agreement For Hesperia Reorganization				FY	Amount	I/D	FY	Amount	I/D
No. 2003-01 between CSA 70				_____	_____	_____	_____	_____	_____
Zone J (Oak Hills) and Hesperia Water District				_____	_____	_____	_____	_____	_____

CONTRACTOR HESPERIA WATER DISTRICT

eral ID No. or Social Security No. _____

Contractor's Representative Mike Podegracz

Address 15776 Main Street, Hesperia, CA 92345

Phone (760) 947-1438

Nature of Contract: *(Briefly describe the general terms of the contract)*

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(Attach this transmittal to all contracts not prepared on the "Standard Contract" form.)

Approved as to Legal Form (sign in blue ink) <u>David B. Hunter</u> County Counsel	Reviewed as to Contract Compliance _____	Presented to BOS for Signature <u>Thomas L Sutton</u> Department Head
Date <u>8/18/04</u>	Date _____	Date <u>8-18-04</u>

THIS IS NOT A CONTRACT
THIS COVER
TRANSMITTAL ONLY

Auditor/Controller-Recorder Use Only

<input type="checkbox"/> Contract Database	<input type="checkbox"/> FAS
Input Date	Keyed By

**CITY OF HESPERIA REORGANIZATION NO. 2003-01
AGREEMENT BETWEEN
HESPERIA WATER DISTRICT AND
COUNTY SERVICE AREA 70, IMPROVEMENT ZONE J**

THIS AGREEMENT is made and entered into this 24th day of Aug., 2004, by and between the City of Hesperia, on behalf of the Hesperia Water District, a subsidiary district of the City, hereinafter referred to as DISTRICT; and County Service Area 70, Improvement Zone J, hereinafter referred to as CSA 70J,

WITNESSETH

WHEREAS, DISTRICT and CSA 70J are public agencies authorized to provide water service within their boundaries; and

WHEREAS, the City of Hesperia and Hesperia Water District have made application to the Local Agency Formation Commission (LAFCO) for the reorganization to include properties currently located outside the city boundaries as described in the City's Reorganization No. 2003-01 (LAFCO No. 2952), hereinafter referred to as "Annexation"; and

WHEREAS, customers currently in the Annexation area, as shown on Exhibit "A", that currently receive water service from CSA 70J would receive water service from the DISTRICT upon completion of the water system separation, and

WHEREAS, that portion of the CSA 70J system located within the Annexation area would be separated from the CSA 70J system and connected to the DISTRICT system in accordance with the Separation Plan as shown on Exhibit "B", and

WHEREAS, the level of service to CSA 70J customers will be maintained upon completion of the separation of CSA 70J system within the Annexation area.

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

1. DISTRICT shall be responsible for the preparation of engineering plans, advertisement for construction bids, and construction of all work necessary to complete the separation CSA 70J facilities as identified on Exhibit "B" at no cost to CSA 70J. This work shall include, but not be limited to, pipeline connections, pipeline disconnections, and installation of new pipelines and appurtenances identified on Exhibit "B". All work identified on Exhibit "B" shall be completed within one (1) year from the issuance of the notice of completion of the annexation.

2. CSA 70J shall transfer ownership of all pipelines and appurtenances identified on Exhibit "B" (map) and listed on Exhibit "C" (table) to DISTRICT at no cost to DISTRICT. Individual pipeline segments may be transferred from CSA 70J to DISTRICT as individual system connections and/or disconnections are completed.

3. CSA 70J will continue to provide service to those properties located within the Annexation area, as shown on Exhibit "A", until completion of the water system separation, as shown on Exhibit "B". During this transition period, DISTRICT shall provide CSA 70J with bi-monthly meter consumption readings and pay CSA 70J at the district's current water rate, as adopted for the applicable fiscal year, for water used at these properties.

4. This Agreement shall become effective upon approval by both parties and shall remain in effect until such time as the separation of facilities, as shown on Exhibit "B" are complete, or until terminated by mutual agreement of both parties.

5. The DISTRICT shall indemnify, defend, and hold harmless CSA 70J, the County of San Bernardino and their authorized agents, officers, and employees against any and all claims or actions arising from DISTRICT'S acts or omissions and for any costs or expenses incurred by CSA 70J, County or DISTRICT on account of any claim therefore.

6. CSA 70J shall indemnify, defend, and hold harmless DISTRICT, the City of Hesperia and their authorized agents, officers, and employees against any and all claims or actions arising from CSA 70J'S acts or omissions and for any costs or expenses incurred by DISTRICT, the City or CSA 70J on account of any claim therefore.

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

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

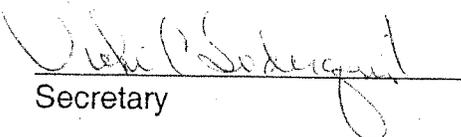
To DISTRICT:	Hesperia Water District 15776 Main Street Hesperia, CA 92345
To CSA 70J:	Special Districts Department Water and Sanitation Operations 12403 Industrial Blvd., Bldg. D, Suite 6 Victorville, CA 92392

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

HESPERIA WATER DISTRICT

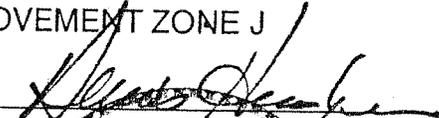


President



Secretary

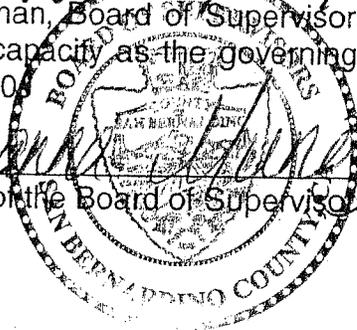
COUNTY SERVICE AREA 70
IMPROVEMENT ZONE J



Chairman, Board of Supervisors, acting
in its capacity as the governing body of
CSA 70J



Clerk of the Board of Supervisors, Deputy



REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION

AUGUST 24, 2004

FROM: THOMAS L. SUTTON, Director
Special Districts Department

SUBJECT: SERVICE SEPARATION AGREEMENT FOR HESPERIA
REORGANIZATION No. 2003-02 BY AND BETWEEN COUNTY SERVICE
AREA 70, IMPROVEMENT ZONE J (OAK HILLS) AND HESPERIA
WATER DISTRICT (DISTRICT)

RECOMMENDATION: Acting as the governing body of County Service Area 70, Improvement Zone J (Oak Hills), approve **Agreement No. 04-906** with the Hesperia Water District (District) for the separation of water systems and service, in conjunction with the proposed annexation of approximately 2,190 acres of that portion of Oak Hills generally located adjacent to the east and west sides of Interstate 15 and running the length of Oak Hills.

BACKGROUND INFORMATION: On December 19, 2003, the City of Hesperia submitted Hesperia Reorganization No. 2003-02 to the Local Agency Formation Commission (LAFCO), LAFCO #2953 for the reorganization of certain property in the City's Sphere of Influence and within County Service Area 70, Improvement Zone J (CSA 70 J). The reorganization action, if successful, includes the annexation of the area into the City of Hesperia, and the transfer of services. CSA 70 J currently provides water service to both commercial and residential properties within the reorganization area. This agreement sets the terms and requirements for transfer of water service. The current rate of growth in both the City and County areas necessitates the reorganization of the area and the separation of the water systems and water service.

Approval of this agreement will set terms and conditions for the separation of the CSA 70 J water system, construction of water system improvements by the District, identify pipelines no longer required for the CSA 70 J water system and to be granted to the District, and outline fiscal responsibilities required in order to accomplish the separation of the water systems. The District will be responsible for the preparation of plans and construction of all work necessary to complete the separation, including the installation of new pipelines that will allow CSA 70 J to maintain the current level of service to its customers. CSA 70 J will transfer ownership of specific pipelines and appurtenances identified in the agreement to District. CSA 70 J will continue to serve the customers impacted by the transfer as the terms of the agreement are executed and until such time as the transfer of pipelines or construction by District of facilities to serve the area are in place and within the term specified in the agreement.

REVIEW AND APPROVAL BY OTHERS: This action has been reviewed and approved by County Counsel (Daniel B. Haueter, Chief Deputy, 387-5467) on August 10, 2004 and by the County Administrative Office, (Wayne Thies, Administrative Analyst, 387-5409) on August 13, 2004.

FINANCIAL IMPACT: There are no financial obligations to CSA 70 J associated with this agreement.

SUPERVISORAL DISTRICT: First

PRESENTER: Thomas L. Sutton (387-9625)

cc: Special Districts- Sutton
w/ agreement
Contractor w/ agreement
IDS w/ agreement
Auditor- Valdez w/ agreement
Risk Management
County Counsel- Haueter
CAO- Thies
ED/PSG- Kanold
File w/ agreement

rm

Record of Action of the Board of Supervisors
Agreement No. 04-906

APPROVED/CONSENT CALENDAR)

BOARD OF SUPERVISORS

COUNTY OF SAN BERNARDINO

MOTION SECOND AYE AYE MOVE
3 4 5

J. RENEE BASTIAN, CLERK OF THE BOARD

BY

DATED: August 24, 2004

ITEM 039



District
F A S

CONTRACT TRANSMITTAL

FOR COUNTY USE ONLY

<input checked="" type="checkbox"/> New	Vendor Code		SC	Dept.	A	Contract Number			
<input type="checkbox"/> Change						04- 906			
<input type="checkbox"/> Cancel									
County Department				Dept.	Orgn.	Contractor's License No.			
County Service Area 70, Improvement Zone J (Oak Hills)									
County Department Contract Representative				Telephone		Total Contract Amount			
Thomas Sutton				(909) 387-9625					
Contract Type									
<input type="checkbox"/> Revenue <input type="checkbox"/> Encumbered <input type="checkbox"/> Unencumbered <input type="checkbox"/> Other:									
If not encumbered or revenue contract type, provide reason:									
Commodity Code		Contract Start Date		Contract End Date		Original Amount	Amendment Amount		
Fund	Dept.	Organization	Appr.	Obj/Rev Source	GRC/PROJ/JOB No.	Amount			
Fund	Dept.	Organization	Appr.	Obj/Rev Source	GRC/PROJ/JOB No.	Amount			
Fund	Dept.	Organization	Appr.	Obj/Rev Source	GRC/PROJ/JOB No.	Amount			
Project Name				Estimated Payment Total by Fiscal Year					
Service Separation Agreement For Hesperia Reorganization				FY	Amount	I/D	FY	Amount	I/D
No. 2003-02 between CSA 70				_____	_____	_____	_____	_____	_____
Zone J (Oak Hills) and Hesperia Water District				_____	_____	_____	_____	_____	_____

CONTRACTOR HESPERIA WATER DISTRICT

Federal ID No. or Social Security No. _____

Contractor's Representative Mike Podegracz

Address 15776 Main Street, Hesperia, CA 92345

Phone (760)947-1438

Nature of Contract: *(Briefly describe the general terms of the contract)*

Acting as the governing body of County Service Area 70, Improvement Zone J (Oak Hills), approve Agreement No. 04-____ with the Hesperia Water District (District) for the separation of water systems and service, in conjunction with the proposed annexation of approximately 2,190 acres of that portion of Oak Hills generally located adjacent to the east and west sides of Interstate 15 and running the length of Oak Hills.

(Attach this transmittal to all contracts not prepared on the "Standard Contract" form.)

Approved as to Legal Form (sign in blue ink)

[Signature]
County Counsel

Date 8/18/04

Reviewed as to Contract Compliance

Date _____

Presented to BOS for Signature

[Signature]
Department Head

Date 8-18-04

Auditor/Controller-Recorder Use Only

<input type="checkbox"/> Contract Database	<input type="checkbox"/> FAS
Input Date	Keyed By

CITY OF HESPERIA REORGANIZATION NO. 2003-02
AGREEMENT BETWEEN
HESPERIA WATER DISTRICT AND
COUNTY SERVICE AREA 70, IMPROVEMENT ZONE J

THIS AGREEMENT is made and entered into this 24th day of Aug., 2004, by and between the City of Hesperia, on behalf of the Hesperia Water District, a subsidiary district of the City, hereinafter referred to as DISTRICT; and County Service Area 70, Improvement Zone J, hereinafter referred to as CSA 70J,

WITNESSETH

WHEREAS, DISTRICT and CSA 70J are public agencies authorized to provide water service within their boundaries; and

WHEREAS, the City of Hesperia and Hesperia Water District have made application to the Local Agency Formation Commission (LAFCO) for the reorganization to include properties currently located outside the city boundaries as described in the City's Reorganization No. 2003-02 (LAFCO No. 2953), hereinafter referred to as "Annexation"; and

WHEREAS, that portion of the CSA 70J system located within the Annexation area are interconnected to the CSA 70J distribution system, and used to convey water from the County's reservoirs and wells to the CSA 70J customers, and cannot therefore be separated; and

WHEREAS, DISTRICT will be required to install new DISTRICT pipelines, reservoirs and booster stations to serve the "Annexation" area; and

WHEREAS, customers currently in the Annexation area, as shown on Exhibit "A", that currently receive water service from CSA 70J would receive water service from the DISTRICT upon installation of new DISTRICT water facilities.

WHEREAS, the level of service to CSA 70J customers will be maintained upon completion of new DISTRICT facilities within the Annexation area.

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

1. DISTRICT shall be responsible for the preparation of engineering plans, advertisement for construction bids, and construction of all work necessary to complete the installation of new pipelines, reservoir, booster stations and appurtenances to serve the Annexation area. The location and size of these new water facilities will be determined by an engineering study conducted by DISTRICT. All new facilities shall be completed within three (3) years from the issuance of the notice of completion of the annexation.

2. CSA 70J will continue to provide service to those properties located within the Annexation area, as shown on Exhibit "A", until completion of the water system improvements discussed in Condition 1. During this transition period, DISTRICT shall provide CSA 70J with bi-monthly meter consumption readings and pay CSA 70J at the district's current water rate, as adopted for the applicable fiscal year, for water used at these properties.

3. This Agreement shall become effective upon approval by both parties and shall remain in effect until such time as the installation of all District facilities are complete, or until terminated by mutual agreement of both parties.

4. The DISTRICT shall indemnify, defend, and hold harmless CSA 70J, the County of San Bernardino and their authorized agents, officers, and employees against any and all claims or actions arising from DISTRICT'S acts or omissions and for any costs or expenses incurred by CSA 70J, County or DISTRICT on account of any claim therefore.

5. CSA 70J shall indemnify, defend, and hold harmless DISTRICT, the City of Hesperia and their authorized agents, officers, and employees against any and all claims or actions arising from CSA 70J'S acts or omissions and for any costs or expenses incurred by DISTRICT, the City or CSA 70J on account of any claim therefore.

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

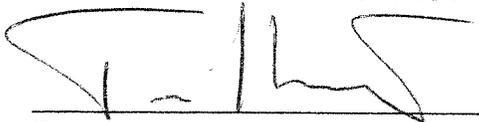
7. All notices required or permits to be given under this Agreement shall be deemed given by delivery or by mailing, postage prepaid to the recipient party at its current address; the present addresses of the parties are as follows:

To DISTRICT: Hesperia Water District
15776 Main Street
Hesperia, CA 92345

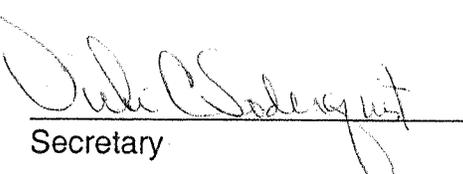
To CSA 70J: Special Districts Department
Water and Sanitation Operations
12403 Industrial Blvd., Bldg. D, Suite 6
Victorville, CA 92392

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

HESPERIA WATER DISTRICT



President

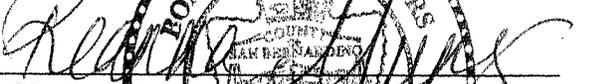


Secretary

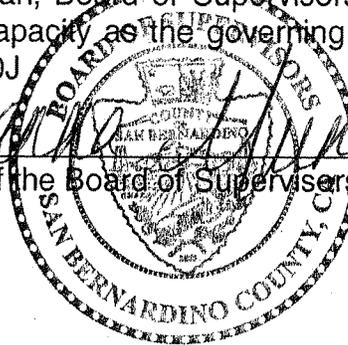
COUNTY SERVICE AREA 70
IMPROVEMENT ZONE J



Chairman, Board of Supervisors, acting
in its capacity as the governing body of
CSA 70J



Clerk of the Board of Supervisors, Deputy



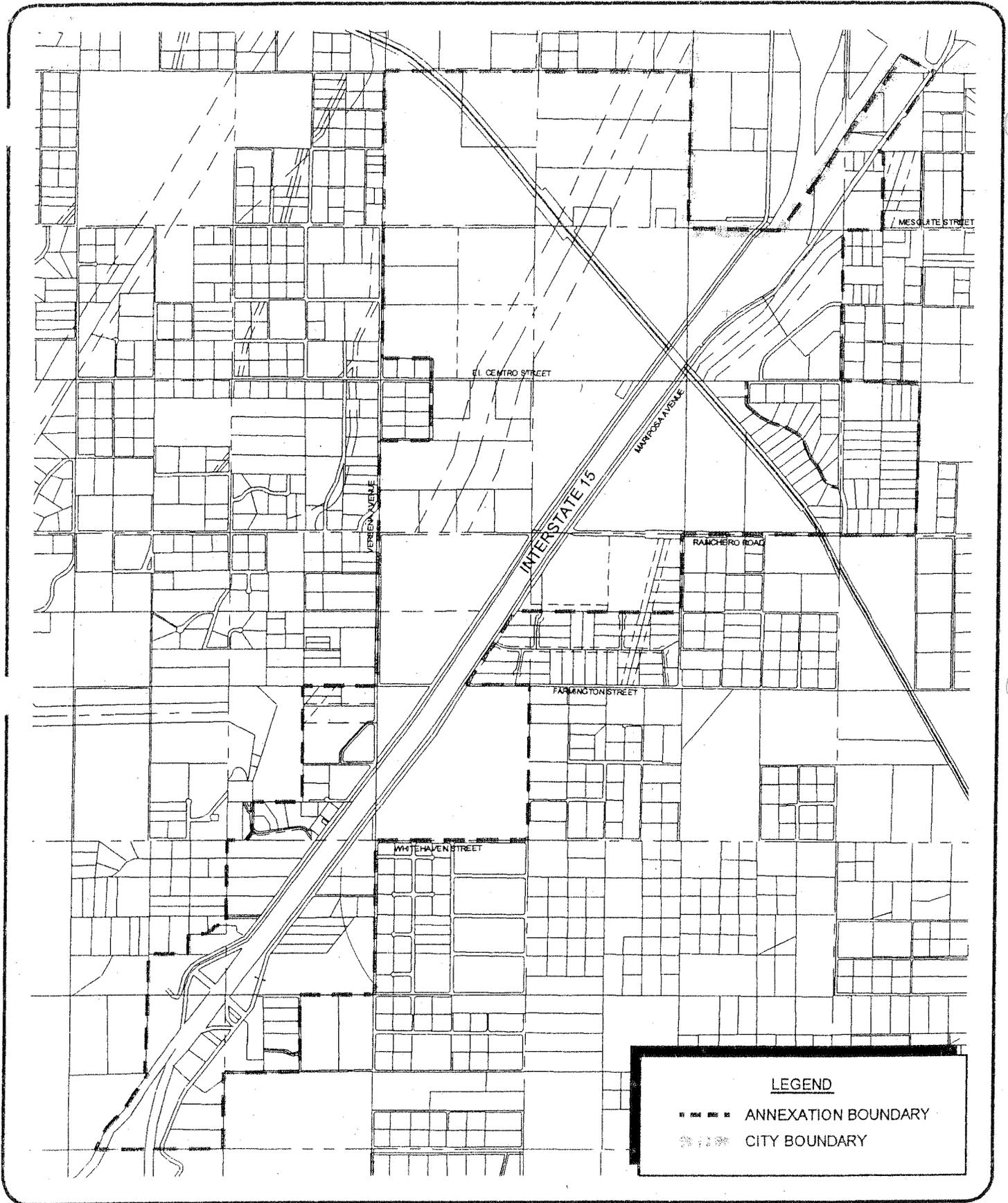


EXHIBIT - A
CITY OF HESPERIA

REORGANIZATION NO. 2003-02



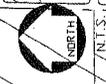
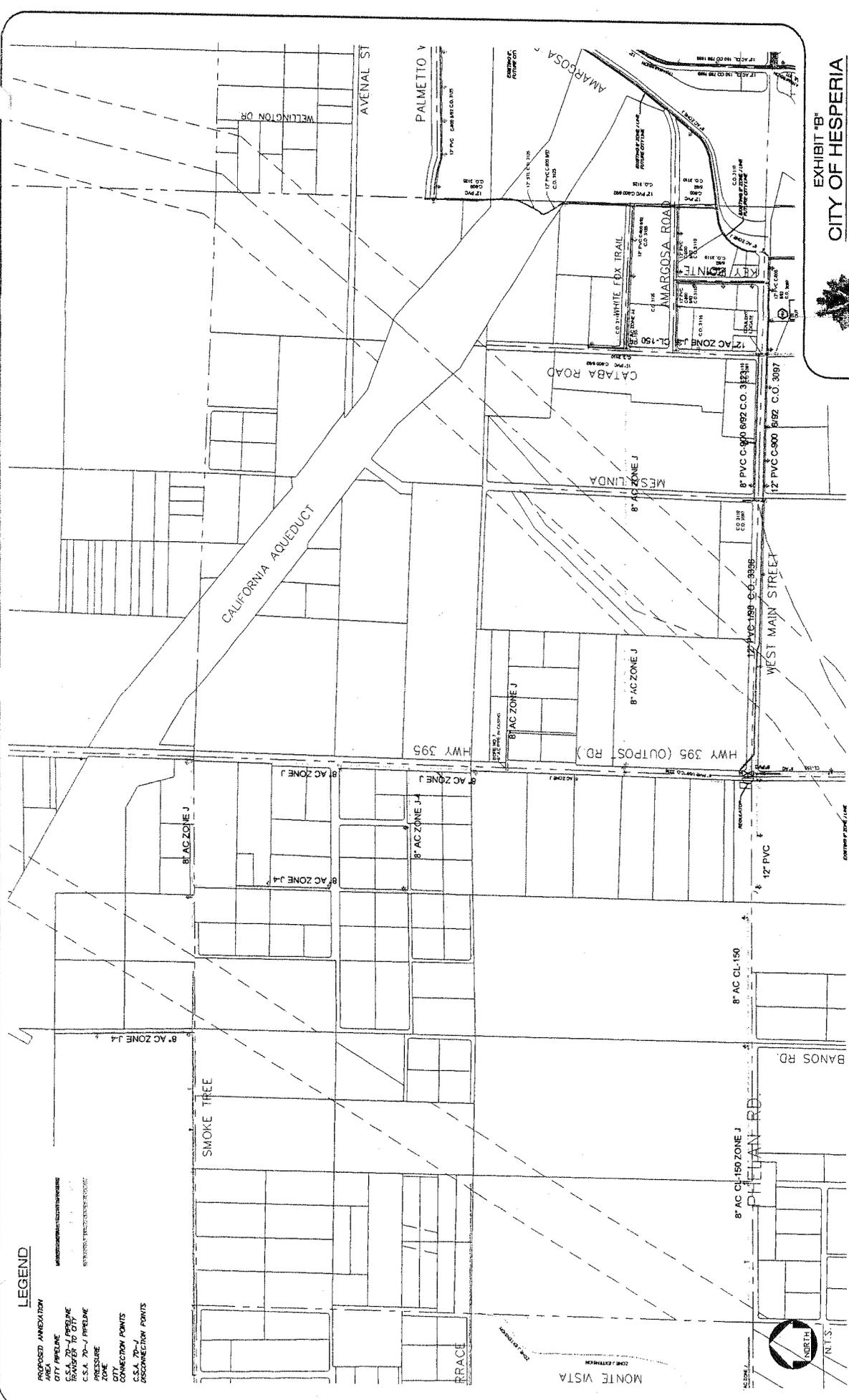
LEGEND

- PROPOSED ANNEXATION AREA
- CITY PIPELINE
- TRANSFER TO CITY
- C.S.A. 70-J PIPELINE
- PRESSURE ZONE
- CONNECTION POINTS
- C.S.A. 70-J DISCONNECTION POINTS

SMOKE TREE

CALIFORNIA AQUEDUCT

EXHIBIT "B"
CITY OF HESPERIA
ZONE J
CONNECTION AND DISCONNECTION POINTS



N.T.S.

Exhibit "C"
HDW and CSA 70J Separation Agreement

<u>Street</u>	<u>From</u>	<u>To</u>	<u>Size</u>	<u>Length</u>
Phelan Rd	Hwy 395	LA Bureau of Power and Lights Rd	8"	5,089 LF
White Fox Tr	Hwy 395	Cataba Rd	8"	4,091 LF
Acacia Rd	Hwy 395	Topaz Rd	8"	1,080 LF
Bolinas St	Hwy 395	Caliente Rd	8"	1,199 LF
Smoke Tree Rd	Hwy 395	LA Bureau of Power and Lights Rd	8"	1,889 LF
Hwy 395	West Main St	California Aqueduct	8"	5,613 LF
Caliente Rd	Bolinas St	Smoke Tree Rd	8"	2,106 LF
Cataba Rd	White Fox Tr	West Main St	12"	1,353 LF