

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

November 18, 2025

FROM

NOEL CASTILLO, Director, Department of Public Works – Transportation

SUBJECT

Program Supplement Agreement to Master Agreement for Surface Transportation Program Grant Funds for Needles Highway Segment 1C Improvements

RECOMMENDATION(S)

Approve State of California Program Supplement Agreement No. F175 (**Agreement No. 25-908**) to Master Agreement No. 08-5954F15 with the State of California Department of Transportation, which allocates \$8,000,000 of federal Surface Transportation Program funds toward the \$11,736,317 Needles Highway Segment 1C construction costs.
(Presenter: Noel Castillo, Director, 387-7906)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Operate in a Fiscally-Responsible and Business-Like Manner.

Pursue County Goals and Objectives by Working with Other Agencies and Stakeholders.

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). The total estimated construction cost for the Needles Highway Segment 1C pavement reconstruction and drainage improvements (Project) is \$11,736,317. The Project is funded with \$8,000,000 in federal Surface Transportation Program (STP) grant funds administered by the California Department of Transportation (Caltrans), \$900,000 in Measure "I" Major Local Highway Program funds, and \$50,000 from Gas Tax. The remaining cost, \$2,786,317, will be funded with Senate Bill 1 Road Maintenance and Rehabilitation Account revenue. Approval of a budget adjustment is not requested at this time, but may be included in a future countywide budget report presented to the Board of Supervisors (Board) for approval.

BACKGROUND INFORMATION

The Project involves pavement reconstruction and drainage improvements along Needles Highway, from David Drive north to 0.1 mile north of Notcho Road, in the Needles area. The County has served as the lead agency for other projects located along Needles Highway, between "N" Street northerly to the California/Nevada state line. The Project is part of the Needles Highway Improvement Project (Parent Project), which includes three previously completed segments: (1) from "N" Street to 600 feet north of Balboa Place (Segment N); (2) from 600 feet north of Balboa Place to 500 feet south of Park Road (Segment 1A); and (3) from 500 feet south of Park Road to David Drive (Segment 1B).

On February 8, 2022 (Item No. 42), the Board approved an Advance Expenditure Agreement No. 22-85 with the San Bernardino County Transportation Authority (SBCTA). Under the

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agreement, the County could begin Project Approval and Environmental Document (PAED) and Plans, Specifications, and Estimate (PS&E) phases of the Project. SBCTA would be able to reimburse the County up to \$900,000 in Measure "I" 2010-2040 Colorado River Subarea Major Local Highways Program (MLHP) funds for PAED and PS&E costs as funds are collected.

On August 23, 2022 (Item No. 41), the Board approved Funding Agreement No. 22-788 with SBCTA. The agreement allows the County to receive an additional \$8,000,000 for Project construction costs. The \$8,000,000 is allotted from federal STP funding allocated to SBCTA.

The Board approved Cooperative Agreement No. 22-440 (Agreement) on June 14, 2022 (Item No. 66) because a portion of the Project roadway improvements are within the jurisdiction of the City of Needles (City). Pursuant to the terms of the Agreement, the County agreed to cover the City's portion of Project costs, estimated at that time to be \$3,224,200. The Board unanimously adopted Resolution No. 2022-100, pursuant to Streets and Highways Code Section 1680, allowing the County to provide County aid to the City for their share of the Project. The Project is anticipated to begin construction in Spring 2026.

In accordance with County Agreement No. 16-578 and the State of California Master Agreement No. 08-5954F15, approved by the Board on July 26, 2016 (Item No. 29), approval of a Program Supplement Agreement is required for each specific Project and prior to the County invoicing for reimbursement of Project costs. The Program Supplement Agreement establishes special covenants as a condition for the local agency to receive federal aid through the State for a designated project. The Program Supplement Agreement also identifies the type of funds available for reimbursement.

This action meets the County and the Chief Executive Officer's goals and objectives of working cooperatively with Caltrans to ensure that the necessary agreements are executed in accordance with Caltrans guidelines to receive reimbursement for project expenditures.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Aaron Gest, Deputy County Counsel, 387-5455) on October 15, 2025, and County Finance and Administration (Kathy Gonzalez, Administrative Analyst, 387-5412) on October 30, 2025.

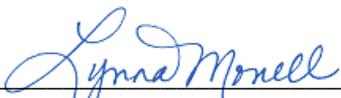
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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Curt Hagman Seconded: Joe Baca, Jr.
Ayes: Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.
Absent: Col. Paul Cook (Ret.)

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: November 18, 2025



cc: PW/Trans - Johnson w/agree for sign
 Contractor - c/o PW/Trans w/agree
 File - w/agree
MBA 11/24/2025