

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS  
OF THE FOLLOWING:  
SAN BERNARDINO COUNTY  
BOARD GOVERNED COUNTY SERVICE AREAS  
AND RECORD OF ACTION**

April 8, 2025

**FROM**

**NOEL CASTILLO, Director, Department of Public Works – Special Districts  
LUTHER SNOKE, Chief Executive Officer, County Administrative Office**

**SUBJECT**

Various Actions Pertaining to the Bloomington Sewer Expansion Project

**RECOMMENDATION(S)**

1. Acting as the governing body of San Bernardino County:
  - a. Adopt **Resolution No. 2025-72** approving the execution of the Memorandum of Understanding to receive funding from the Regional Early Action Plan Grant Program of 2021 in the amount not to exceed \$6,508,000 for the Bloomington Sewer Expansion Project and authorizing the Chief Executive Officer, the Director of the Department of Public Works, or the Assistant Director of the Department of Public Works to proceed with the following actions on behalf of San Bernardino County for the purpose of obtaining funding from the Regional Early Action Plan Grant Program of 2021, as requested by the Southern California Association of Governments:
    - i. Execute the Memorandum of Understanding with Southern California Association of Governments in the not-to-exceed amount of \$6,508,000, for the term beginning when executed by all parties through June 30, 2026.
    - ii. Execute any non-substantive ancillary Memorandum of Understanding documents and non-substantive amendments required by the California Department of Finance or Southern California Association of Governments, subsequent to grant acceptance, subject to review by County Counsel.
    - iii. Take all reasonably necessary and appropriate actions to complete the Bloomington Sewer Expansion Project, fulfill all obligations required, and seek reimbursement of grant funds awarded, pursuant to the Southern California Association of Governments call for applications, and in a manner consistent and in compliance with the Regional Early Action Plan Grant Program of 2021 guidelines and objectives, Regional Utilities Supporting Housing Program, Projects to Accelerate Transitional Housing Program guidelines, and all applicable state and federal statutes, rules, regulations, and laws.
  - b. Approve **Memorandum of Understanding No. 25-205** with Southern California Association of Governments, including non-standard terms, in the amount not-to-exceed \$6,508,000 for the Bloomington Sewer Expansion Project for the term beginning when executed by all parties through June 30, 2026.
  - c. Delegate authority to the Chief Executive Office, the Director of Public Works, or the Assistant Director of the Department of Public Works to execute the Memorandum of Understanding with Southern California Association of Governments and any non-substantive ancillary Memorandum of Understanding documents and non-substantive amendments required by the California Department of Finance or Southern California

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- Association of Governments, subsequent to Memorandum of Understanding acceptance, subject to review by County Counsel.
- d. Direct the Director of the Department of Public Works, or the Assistant Director of the Department of Public Works to transmit the Southern California Association of Governments Memorandum of Understanding and any non-substantive amendments required by the California Department of Finance or Southern California Association of Government, subsequent to grant acceptance, to the Clerk of the Board of Supervisors within 30 days of execution.
  - e. Approve **Contract No. 25-206** with County Service Area 70 Zone BL (Bloomington) to provide funding for the Bloomington Sewer Expansion Project, in the amount of \$6,508,000, for the contract term of April 8, 2025 through April 8, 2030.
  - f. Authorize the Auditor-Controller/Treasurer/Tax Collector to post the necessary budget adjustments, as detailed in the Financial Impact section, to provide funding for the Bloomington Sewer Expansion Project (Four votes required).
2. Acting as the governing body of County Service Area 70 Zone BL (Bloomington):
- a. Approve the Capital Improvement Program – Bloomington Sewer Expansion Project.
  - b. Approve **Contract No. 25-206** with San Bernardino County to receive funding for the Bloomington Sewer Expansion Project, in the amount of \$6,508,000, for the contract term of April 8, 2025 through April 8, 2030.
  - c. Authorize the Auditor-Controller/Treasurer/Tax Collector to post budget adjustments in the amount of \$6,508,000 as detailed in the Financial Impact section, for the Bloomington Sewer Expansion Project (Four votes required).
- (Presenter: Noel Castillo, Director, 387-7906)

**COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES**

**Ensure Development of a Well-Planned, Balanced, and Sustainable County.**

**Provide for the Safety, Health and Social Service Needs of County Residents.**

**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). This grant from Southern California Association of Governments (SCAG), in the amount not-to-exceed \$6,508,000, provides funding for the Bloomington Sewer Expansion Project (Project). The grant has no local match component. This grant will be used to fund the eligible costs of the Project. The grant covers the cost of the design and subsequent construction of the Project. The Department of Public Works – Transportation (Transportation) is the grant applicant and will be transferring the funds to County Services Area 70 BL – Bloomington Sewer Operating fund (District) to fund and execute the Project.

The following 2024-25 budget adjustments to the Transportation and County Services Area 70 BL – Bloomington Sewer Operating fund (District) are needed to proceed with the Project:

<b>Cost Center</b>	<b>Commitment Item</b>	<b>Description</b>	<b>Increase/ (Decrease)</b>	<b>Amount</b>
3330004610	54104010	Improvements to Land	Increase	\$6,508,000
3330004610	40909975	Operating Transfers In	Increase	\$6,508,000
6650002000	40408955	State – Grants	Increase	\$6,508,000
6650002000	55305030	Operating Transfers Out	Increase	\$6,508,000

Transportation and the District will include sufficient appropriation for the Project in future recommended budgets as needed.

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**BACKGROUND INFORMATION**

The Project is located in the unincorporated Bloomington area surrounded by the cities of Rialto (City) and Fontana and includes installing a sewer main on Marygold Avenue, Locust Avenue and Linden Avenue, enabling property owners to transition from septic to sewer. The Project is within the City's sphere of influence and will be built according to the City's Sanitary Sewer System Master Plan. Upon completion, the Project will tie into the City's existing sewer system. It is estimated that approximately 150 parcels would benefit from this sewer system.

On October 24, 2023 (Item No. 55), the Board of Supervisors (Board) authorized the Department of Public Works to submit a Regional Utilities Supporting Housing grant application to SCAG for the Project. On December 21, 2023, the Department received conditional award notification approving the Department's application and conditionally awarding grant funds of \$6,508,000.

Following SCAG Regional Council's action, SCAG completed the sub-recipient risk assessment and reviewed the scope of work and budget for the authorized Project.

Approval of the Memorandum of Understanding (Grant Agreement) with SCAG provides funding in the not-to-exceed amount of \$6,508,000, on a cost reimbursement basis, for the Project. It is SCAG's practice for grantees, such as the County, to approve and sign grant agreements before SCAG's final approval and execution.

SCAG requires a Board Resolution delegating authority to the Chief Executive Officer, the Director of the Department of Public Works or the Assistant Director of Public Works to sign and execute the Grant Agreement and all non-substantive ancillary grant award documents and non-substantive amendments required by the California Department of Finance subsequent to grant acceptance, subject to review by County Counsel, to ensure that the grant opportunity is secured and executed timely.

The Department is asking the Board of Supervisors to delegate authority to the Director or Assistant Director to execute the Grant Agreement, as required by SCAG. This would include supplemental documentation such as but not limited to labor reports and other grant related forms that may be required after the agreement has been submitted to SCAG, and any subsequent non-substantive amendments, subject to review by County Counsel.

The proposed Grant Agreement includes the following non-standard terms, which require Board approval:

1. The Grant Agreement does not require SCAG to meet the County's insurance standards as required under County policy and instead requires the County to meet specific insurance requirements and require that any construction contractor hired by the County to construct the Project obtain the same minimum insurance.
  - County policy requires contractors to carry appropriate insurance at limits and under conditions determined by the County's Risk Management Department and as set forth in County policy.
  - Potential Impact: The County maintains self-insurance and excess insurance for the amounts in the Grant Agreement and will need to require the construction contractor obtain the required insurance or submit proof to SCAG why the construction contractor cannot obtain the required insurance.

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2. The County is required to indemnify SCAG from all claims, including attorneys' fees, as a result of the Project or Grant Agreement.
  - The County standard contract does not include indemnification or defense by the County of a contractor.
  - Potential Impact: By agreeing to indemnify SCAG the County could be responsible to defend and reimburse SCAG for costs, expenses and damages, which could exceed the total Grant Agreement amount.
3. All disputes arising under the Grant Agreement must be settled by binding arbitration.
  - The County standard contract does not require arbitration.
  - Potential Impact: Binding arbitration decisions are not appealable. In addition, disputes that might otherwise be settled in small claims court would incur arbitration costs that could exceed the costs of a small claims action, and the Agreement amount.
4. The funding SCAG is providing to the County under the Grant Agreement is funding SCAG will be receiving from the California Department of Housing and Community Development (HCD) and in the event HCD terminates or cancels the funding to SCAG, the Grant Agreement is terminated and SCAG is relieved of its obligations under the Grant Agreement. Further, if HCD reduces funding to SCAG, SCAG has the unilateral right to stop work on the Project and reduce funding to the County or terminate the Grant Agreement.
  - The County standard contract does not provide for the contractor to be able unilaterally stop work, terminate the contract or reduce the funding.
  - Potential Impact: The County may enter into a construction contract and not receive any or all of the funding under the Grant Agreement requiring cancellation of the Project or the requirement to find alternate funding for the Project.
5. The venue for disputes arising under the Grant Agreement is in Los Angeles County.
  - County Policy 11-05 requires venue for disputes in Superior Court of California, County of San Bernardino, San Bernardino District.
  - Potential Impact: Having a venue in Los Angeles County may result in additional expenses incurred by the County if a lawsuit is filed.

The Department recommends Board approval of the Grant Agreement, including the non-standard terms, to secure funding for completion of the Project.

**PROCUREMENT**

Not applicable.

**REVIEW BY OTHERS**

This item has been reviewed by County Counsel (Julie Surber, Principal Assistant County Counsel, and Sophie A. Curtis, Deputy County Counsel, 387-5455) on March 11, 2025, Auditor-Controller/Treasurer/Tax Collector (Charlene Huang, Auditor-Controller Manager, 382-7022) on March 12, 2025; Risk Management (Greg Ustaszewski, Staff Analyst II, 386-9005) on March 11, 2025; Finance (Amanda Trussell, Principal Administrative Analyst, 387-4773 and Kathleen Gonzalez, Administrative Analyst, 387-5412) on March 21, 2025; and County Finance and Administration (Paloma Hernandez-Barker, Deputy Executive Officer, 387-5423) on March 24, 2025.

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Record of Action of the Board of Supervisors  
San Bernardino County  
Board Governed County Service Areas

**APPROVED (CONSENT CALENDAR)**

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

Lynna Monell, CLERK OF THE BOARD

BY   
DATED: April 8, 2025



cc: PW/SD - Reyes w/agree for sign  
Contractor - c/o PW/SD w/agree  
File - w/agree  
CCM 04/9/2025