

CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT

AGENDA REGULAR MEETING WATER BOARD

Tuesday, February 11, 2025 – 9:30 a.m.

MARGARET H. CHANDLER WATER RECLAMATION PLANT
399 CHANDLER PLACE
San Bernardino, California

WATER BOARD

TONI CALLICOTT
President

Commissioners

WAYNE HENDRIX, P.E.
DAVID E. MLYNARSKI
RIKKE V. JOHNSON
THOMAS BRICKLEY



MIGUEL J. GUERRERO, P.E.

General Manager

ROBIN L. OHAMA

Deputy General Manager

STEVE R. MILLER

Director of Water Utility

KEVIN T. STEWART, P.E.

Director of Water Reclamation

CYNTHIA J. MOUSER

Director of Finance

JENNIFER L. SHEPARDSON

Director of Environmental &
Regulatory Compliance

“Trusted, Quality Service since 1905”

Welcome to a meeting of the Water Board of the City of San Bernardino

- The City of San Bernardino Municipal Water Department recognizes its obligation to provide equal access to those individuals with disabilities. Please contact the General Manager’s Office (909-384-5191) two working days prior to the meeting for any requests for reasonable accommodation, to include interpreters.
- All documents for public review are on file with the Water Department located at 1350 South “E” Street, San Bernardino or may be accessed online at <https://www.sbmwd.org/agendacenter>
- Please turn off or mute your cell phone while the meeting is in session.
- Any member of the public desiring to speak to the Water Board concerning any matter not on the agenda, but which is within the subject matter jurisdiction of the Water Board, may address the body during the period reserved for public comments. Said total period for public comments shall not exceed forty-five (45) minutes unless such time limit is extended by the Water Board. A three-minute limitation shall apply to each member of the public unless such time limit is extended by the Water Board. No member of the public shall be permitted to “share” his/her three minutes with any other member of the public.
- The Water Board may refer any item raised by the public to staff for appropriate action or have the item placed on the next agenda of the Water Board. However, no other action shall be taken nor discussion held by the Water Board on any item which does not appear on the agenda unless the action is otherwise authorized in accordance with the provisions of subdivision (b) of Section 54954.2 of the Government Code.
- Public comments will not be received on any item on the agenda when a public hearing has been conducted and closed.

THE SAN BERNARDINO MUNICIPAL WATER DEPARTMENT ENCOURAGES THE PUBLIC TO VIEW THIS WATER BOARD MEETING ONLINE. THE MEETING WILL BE LIVE STREAMED VIA YOUTUBE AT: <https://bit.ly/YouTubeSBWater>

MEMBERS OF THE PUBLIC WHO WISH TO COMMENT ON MATTERS BEFORE THE WATER BOARD MAY PARTICIPATE IN THE FOLLOWING WAYS:

1. IF ATTENDING IN PERSON, MAY PROVIDE COMMENT AT THE APPROPRIATE TIME DICTATED BY THE AGENDA AND WATER BOARD PRESIDENT.
2. COMMENTS AND CONTACT INFORMATION MAY BE E-MAILED TO Comments@sbmwd.org BY 8:30 A.M. THE DAY OF THE SCHEDULED MEETING TO BE INCLUDED IN THE WRITTEN RECORD.

CALL TO ORDER

ROLL CALL

1. ANNOUNCEMENTS BY MEMBERS OF THE WATER BOARD
2. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA: A three-minute limitation shall apply to each member of the public who wishes to address the Water Board of any item not listed on the agenda. There is no limit on the number of items that may be discussed within the three-minute time limit. **To be called by the Water Board President, please see special public comments instructions above.**
3. PUBLIC COMMENTS ON ITEMS LISTED ON THE AGENDA: A three-minute limitation shall apply to each member of the public who wishes to address the Water Board of any item listed on the agenda, excluding public hearings. There is no limit on the number of items that may be discussed within the three-minute time limit. **To be called by the Water Board President, please see special public comment instructions above.**
4. CONSENT CALENDAR

MOTION: That the motions indicated by consent calendar items 4A through 4C be adopted, except for _____.

MOTION: _____ SECONDED: _____

A. PAYROLL

MOTION: Approve the payroll for the pay period beginning January 27, 2025 through February 9, 2025.

B. CONTRACTS AND BILLS

MOTION: Approve the payment of contracts and bills to be presented at this meeting.

C. MINUTES

MOTION: Approve the minutes of January 28, 2025, of the Water Board.

DISCUSSION ITEMS

5. MEMORANDUM OF UNDERSTANDING REGARDING LAND DESIGNATION OF APN 0278-181-20 AND A PORTION OF APN 0278-191-30, ALSO KNOWN AS PALM FIELD AND THE ANTIL PLANT SITE: The San Bernardino Municipal Water Department owns two properties located on the north side of East 6th Street, west of Pedley Road. The properties consist of two parcels, 0278-181-20 and a portion of 0278-191-30, also known as Palm Field and the Antil Plant Site, and total approximately 13.8 acres of land (Palm Field Property). The Antil Plant Site includes wells, buildings, booster pumps, and multiple water lines.

In the summer of 2024, City staff requested a meeting with the Water Department to discuss acquiring the Palm Field Property for future City use. On September 13, 2024, an independent appraisal of the Palm Field Property was performed by an independent appraiser contracted by the City. The market value was established at \$2,650,000. On December 4, 2024, during a Special Meeting of the Mayor and City Council of the City of San Bernardino, the City Council approved a staff recommendation to allocate \$2,650,000 of ARPA funds towards the redesignation of the Palm Field Property.

Redesignation of Water Department property will result in financial gain for the Water Department. The City will transfer the Palm Field Property appraised value of \$2,650,000 from the ARPA Fund to the Water Fund.

MOTION: Adopt a Resolution approving the land designation of real property owned by the San Bernardino Municipal Water Department, generally located on the north side of East 6th Street, west of Pedley Road (APN 0278-181-20 and a portion of 0278-191-30); and authorize the General Manager to execute the Memorandum of Understanding.

MOTION: _____ SECONDED: _____

6. FISCAL YEAR 2024-2025 MID-YEAR BUDGET REVIEW: On June 11, 2024, the Water Board approved the Fiscal Year 2024-25 Operating and Capital Improvement Budget. The budget was prepared based on anticipated workloads, planned capital improvement projects, and history and knowledge of upcoming events that may have budgetary impacts.

To keep the Water Board up to date on the San Bernardino Municipal Water Department (Department) fiscal health, staff has prepared an analysis of the Department's financial performance through December 2024, representing approximately 50% of the fiscal year completed.

Each year, operational changes, unanticipated events, and circumstances beyond staff's control have budgetary consequences. In response, staff have identified areas that require budget adjustments and areas that have experienced savings to meet operational and capital requirements for the balance of the fiscal year.

MOTION: Approve adjustments to the Fiscal Year 2024-25 Operating and Capital Improvement Budget as stated in the staff report.

MOTION:_____ SECONDED:_____

7. APPROVAL OF A PROFESSIONAL SERVICES AGREEMENT BETWEEN THE SAN BERNARDINO MUNICIPAL WATER DEPARTMENT AND TKE ENGINEERING, INC. FOR ENGINEERING DESIGN SERVICES FOR THE 58TH AND 59TH STREET AREA PIPELINE REPLACEMENT PROJECT (SPECIFICATION 1848): On August 27, 2024, Staff issued a public Request for Proposals (RFPs) through its PlanetBids system for professional design services for Specification 1848, Engineering Design Services for the 58th and 59th Street Area Pipeline Replacement Project. The scope of work includes utility research, development of construction documents, bid phase assistance, and preparation of record drawings.

After reviewing and ranking the proposals, staff determined that TKE Engineering, Inc. (TKE) received the highest overall score and recommend awarding TKE a Professional Services Agreement for *Engineering Design Services for the 58th and 59th Street Area Pipeline Replacement Project*.

The funding source for this project is from the FY 2024/2025 Water Fund Capital Improvement Budget. The Construction Order (CO 11164/C2511164) has \$350,000.00 in unencumbered funds to design the pipeline replacement project.

MOTION: Approve the Professional Services Agreement with TKE Engineering, Inc. for Engineering Design Services for 58th and 59th Street Area Pipeline Replacement Project, for an amount not-to-exceed ONE HUNDRED NINETY-SIX THOUSAND FIVE HUNDRED SEVENTY-SIX DOLLARS AND 00/100 (\$196,576.00); and authorize the General Manager to execute the agreement.

MOTION:_____ SECONDED:_____

8. CONTRACT NO. 1824 – TKE ENGINEERING, INC. – CHANGE ORDER NO. 3 – PROFESSIONAL INSPECTION SERVICES FOR BNSF TRACK EXPANSION PROJECT (PROJECT NO. D2311050): The Department entered into a Utility Relocation Agreement with BNSF Railway Company (BNSF) for developer installed water and sewer facility relocations for the BNSF Ono Lead Track Extension Project in 2023. These modifications require that public sewers and water pipelines and appurtenances be relocated along the project route.

The Department entered into a Professional Services Agreement with TKE Engineering, Inc. (TKE), Contract No. 1824, to provide Professional Inspection Services for the BNSF Track Expansion Project on October 18, 2023.

The original scope of work for the Contract included 640 hours of field inspection services for the water and sewer line relocations, but due to extensive challenges, BNSF has had to redesign portions of the project which has extended the construction duration.

Change Order No. 3 in the amount of \$53,200.00 has been prepared for this extra work to be performed by TKE under Contract No. 1824. A time extension of seventy (70) calendar days is recommended to be added to the contract time. Upon Water Board approval, the revised contract end date will be August 16, 2025.

In accordance with Rule and Regulation No. 20, *Application for Water and Wastewater Backbone Infrastructure, Reservoirs, Pump Stations, Transmission Mains, New Sources of Supply, and/or Sewers* BNSF prepaid \$274,937.50.00 to the Department in estimated professional inspection services for the project. The funding source for this project is the Utility Relocation Agreement with BNSF titled *BNSF Ono Lead Track Extension Project* (Project No. D2311050), which has sufficient funds to cover the change order. There is no additional fiscal impact on the Department.

MOTION: Approve the Change Order No. 3 to Contract No. 1824 with TKE Engineering, Inc. in the amount of FIFTY-THREE THOUSAND TWO HUNDRED AND 00/100 DOLLARS (\$53,200.00) and authorize the General Manager to execute the change order.

MOTION:_____ SECONDED:_____

9. REPORTS:

- A. Report of the President
- B. Report of the Commissioners
- C. Report of the Directors
- D. Report of the General Manager

10. PUBLIC COMMENT ON CLOSED SESSION ITEMS: A three-minute limitation shall apply to each member of the public who wishes to address the Water Board. No member of the public shall be permitted to “share” his or her three minutes with any other member of the public.

11. CLOSED SESSION:

Pursuant to Government Code Section(s):

- A. Conference with legal counsel – anticipated litigation – pursuant to paragraph (4) of subdivision (d) of Government Code Section 54956.9: Claim #25-011.

12. ADJOURNMENT

The next regular meeting of the Water Board is scheduled for 9:30 a.m., February 11, 2025, at The Margaret H. Chandler Water Reclamation Plant, 399 Chandler Place, San Bernardino, CA 92408.



**City of San Bernardino
Municipal Water Department**

399 Chandler Place
San Bernardino, CA 92408
<http://www.sbcitywater.org>

*President Cecilia "Toni"
Callicott*

Commissioners

*Wayne Hendrix
David Mlynarski
Rikke Johnson
Thomas Brickley*

MINUTES

FOR THE
WATER BOARD OF THE CITY OF SAN BERNARDINO

JANUARY 28, 2025

CALL TO ORDER

The Regular Meeting of the Water Board of the City of San Bernardino was called to order by President Toni Callicott at 9:30 AM, Tuesday, January 28, 2025, in-person and livestream via YouTube.

ROLL CALL

Attendee Name	Title	Status	Arrived
Cecilia "Toni" Callicott	President	Present	9:30 AM
Wayne Hendrix	Vice President	Present	9:30 AM
David Mlynarski	Board Member	Present	9:32 AM
Rikke Johnson	Board Member	Present	9:30 AM
Thomas Brickley	Board Member	Absent	N/A
Miguel Guerrero	General Manager	Present	9:30 AM

- 1. ANNOUNCEMENTS BY THE BOARD:** None.
- 2. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA:** None.
- 3. PUBLIC COMMENTS ON ITEMS LISTED ON THE AGENDA:** None.

4. CONSENT CALENDAR – ITEMS 4A THROUGH 4C:**A. PAYROLL:**

	<u>Water Fund</u>	<u>Sewer Treatment</u>	<u>Total</u>
Claims:3011352-3011480			
Accounts Payable	\$1,033,059.74	\$703,916.75	\$1,736,976.49
Gross Payroll	<u>\$464,543.86</u>	<u>\$456,888.65</u>	<u>\$921,432.51</u>
12/29/24-01/12/25			
TOTALS	<u>\$1,497,603.60</u>	<u>\$1,160,805.40</u>	<u>\$2,658,409.00</u>

Payroll for the pay period beginning January 13, 2025 through January 26, 2025.

B. CONTRACTS AND BILLS: Contracts and bills presented at this meeting.

C. MINUTES: January 14, 2024.

RESULT: APPROVED 4-0 BY ROLL CALL VOTE W/ 1 ABSENT
MOVER: T. Brickley
SECONDER: R. Johnson
ABSTAINED: N/A
ABSENT: T. Brickley

DISCUSSION ITEMS

- 5. SPECIFICATION 1798 – AWARD PLANNED ON-CALL PROJECT – DECOMMISSIONING OF CAROUSEL MALL SEWER SYSTEM:** Following the 2024 demolition of the former Carousel Mall structure, the sewer system inside the former mall boundary was no longer needed. A request for quotation was emailed to the six (6) pre-qualified Sanitary Sewer Repair Service contractors on December 9, 2024, under Specification No. 1798, to “Furnish all labor, equipment, and materials for the Decommissioning of the Carousel Mall Sewer System Project, located in San Bernardino, California.”

The funding source for this project was the FY 2024/2025 CO#M2550078, *Annual R&R Sectional Main Repair* account, which had a total of \$1,400,000.00 in unencumbered funds.

MOTION: Accept and award the DECOMMISSIONING OF THE SEWER SYSTEM AT THE DEMOLISHED CAROUSEL MALL SITE under Specification No. 1798 to Mike Prlich & Sons, Inc., as the lowest responsive, responsible bidder in the amount of TWO HUNDRED THIRTEEN THOUSAND TWO HUNDRED AND 00/100 DOLLARS (\$213,200.00).

RESULT: APPROVED 4-0 BY ROLL CALL VOTE W/ 1 ABSENT
MOVER: W. Hendrix
SECONDER: R. Johnson
ABSTAINED: N/A
ABSENT: T. Brickley

6. **REPLACEMENT OF THE RS-1 WASTE ACTIVATED SLUDGE PUMPS:** Three (3) Return Activated Sludge (RAS) pumps were utilized processing up to 15 million gallons of raw sewage at the primary and secondary stages. These Worthington centrifugal pumps had minimal breakdowns and proved to perform well above the expected standards.

The pumps were now 43 years old and exceeded their useful design life. The cost and likelihood of failure both exceed best management practices and would need to be replaced with new equipment. Replacing the pumps in-kind would allow for further longevity and reliability of the WRP and staff recommended direct replacement in order to match other products in use.

The funding source for this project was the FY 2024/2025 Sewer Fund Capital Project titled *Master Plan—WRP Asset Replacement Project A* (CO# C2300283), with an approved budget of \$500,000, of which sufficient funds remained.

President Callicott asked if the Department had done business with Cortech Engineering.

Director Stewart stated that the Department worked with Cortech Engineering many times.

Commissioner Johnson asked what was the cost of the annual maintenance of the pumps.

Director Stewart stated that the prior computer system did not track that cost, but the pumps did fail more frequently toward the latter part of their design life due to the age of the pumps.

MOTION: Approve the issuance of a Purchase Order to Cortech Engineering, a DXP Company as outlined above on a sole-source basis in the amount of ONE HUNDRED NINETY-SIX THOUSAND, ONE HUNDRED SIXTY-NINE AND 78/100 DOLLARS (\$196,169.78).

RESULT: APPROVED 4-0 BY ROLL CALL VOTE W/ 1 ABSENT
MOVER: R. Johnson
SECONDER: W. Hendrix
ABSTAINED: N/A
ABSENT: T. Brickley

7. **CONTRACT NO. 1814 – CAROLLO ENGINEERS, INC. -CHANGE ORDER NO. 4 – DESIGN OF THE EAST INFLUENT SIPHON PROJECT PHASES I&II (PROJECT NO. C2450071):** On August 31, 2023, the Department entered into Contract No. 1814 with Carollo Engineers, Inc. (Carollo), to perform an emergency visual condition assessment of what was then referred to as the East Bar Screen structure, followed immediately by preparation of a full bypass plan. Shortly after commencement of the project, the facility was retitled to the East Influent Siphon Structure.

Carollo advised the Department that additional Engineering Services During Construction (ESDC) would be required to address multiple issues not foreseeable at the time of initial agreement execution or at any of the prior change order development phases. Change Order No. 4 in the amount of \$44,996.00 was prepared for this extra work to be performed by Carollo under Contract No. 1814. A time extension of one hundred forty (140) calendar days was recommended to be added, revising contract end date to January 18, 2025.

The funding source for this project was the FY 2024/2025 Sewer Treatment Fund Capital Improvement Project titled *East Influent Siphon Project* (Project No. C2450071) which had a total of \$1,739,025.90 in unencumbered funds.

Commissioner Hendrix asked what the total amount of the contract would be with this change order.

Director Stewart stated that the contract currently totaled \$696,090.00.

MOTION: Approve the Change Order No. 4 to Contract No. 1814 with Carollo Engineers, Inc. in the amount of FORTY-FOUR THOUSAND NINE HUNDRED NINETY-SIX AND 00/100 DOLLARS (\$44,996.00). The General Manager was authorized to execute the change order.

RESULT:	APPROVED 4-0 BY ROLL CALL VOTE W/ 1 ABSENT
MOVER:	W. Hendrix
SECONDER:	D. Mlynarski
ABSTAINED:	N/A
ABSENT:	T. Brickley

8. **SPECIFICATION 1798 – RATIFICATION OF PURCHASE ORDER 32500268 ADDITIONAL COST – MIKE PRlich AND SONS, INC – ARROWHEAD AND MILL ST PIPE REPLACEMENT PROJECT:** In Summer 2024, the Department identified the Arrowhead and Mill Street Pipe Replacement Project as an urgent need. The project consisted of removing and replacing 40 feet of 15-inch deteriorated vitrified clay pipe (VCP) and realigning it to restore flows as per its original design.

Requests for Quotations were sent to the prequalified contractors for Specification 1798. On August 26, 2024 Department awarded the lowest bidder, Mike Prlich and Sons, Inc (MP&S), the Project. In compliance with Department Purchasing Policy 51.030, Purchase Order #32500268 was provided to MP&S for a not-to-exceed cost of \$96,000.00.

During excavation and pipe exposure, various unforeseen elements were found, resulting in additional/unforeseen costs of \$12,654.51. Staff requested the Water Board ratify the additional costs for the Arrowhead and Mill Street Pipe Replacement Project, bringing the total project cost to \$108,654.51.

The funding source for this project was the FY 2024/2025 Sewer Collections Fund Capital Project titled *Annual R/R – Sectional Main Repairs* (C.O. #M2550078) with an approved budget of \$1,750,000. Sufficient funding remained available in this Construction Order for this work.

MOTION: The additional payment of TWELVE THOUSAND SIX HUNDRED FIFTY-FOUR AND 51/100 DOLLARS (\$12,654.51) to Mike Prlich and Sons, Inc for the unforeseen additional costs on the Arrowhead and Mill St Pipe Replacement Project was ratified.

RESULT: APPROVED 4-0 BY ROLL CALL VOTE W/ 1 ABSENT
MOVER: R. Johnson
SECONDER: W. Hendrix
ABSTAINED: N/A
ABSENT: T. Brickley

9. **CONTRACT NO. 1723 – MYERS AND SONS CONSTRUCTION, LLC -CHANGE ORDER NO. 5 – TERTIARY TREATMENT SYSTEM PROJECT (PROJECT NO. C1700194):** On April 25, 2023, the Department entered into Contract No. 1723 with Myers & Sons Construction, LLC (Myers), for the construction of the Tertiary Treatment System Project. The Project consisted of construction of a 5.0 million gallons per day (MGD) facility to treat and convey recycled water.

Additional work was necessary for this project and a time extension of fifty-seven (57) calendar days was recommended to be added to the contract time. Change Order No. 5 in the amount of \$238,233.83 was prepared for this extra work to be performed by Myers under Contract No. 1723. Upon Water Board approval, the revised contract end date would be March 20, 2025.

The funding source for this project was the FY 2024/2025 Sewer Treatment Fund Capital Improvement Project titled *CWF-Phase 4 Tertiary Treatment Project* (Project No. C1700194) which currently had a total of \$1,266,194.59 in unencumbered funds.

MOTION: Approve the Change Order No. 5 to Contract No. 1723 with Myers & Sons, LLC in the amount of TWO HUNDRED THIRTY-EIGHT THOUSAND TWO HUNDRED THIRTY-THREE AND 83/100 DOLLARS (\$238,233.83). The General Manager was authorized to execute the change order.

RESULT: APPROVED 4-0 BY ROLL CALL VOTE W/ 1 ABSENT
MOVER: R. Johnson
SECONDER: W. Hendrix
ABSTAINED: N/A
ABSENT: T. Brickley

10. REPORTS:

A. Report of the President – None.

B. Report of the Commissioners – None.

C. Report of the Directors –

1. Director Stewart provided an update on the Regional Biosolids Feasibility Study.

Director Stewart stated that he was proud to announce that the final fourteen (14) signatures were collected to participate in a cooperative agreement and the RFP was posted on January 28, 2025.

2. Director Stewart reported that he would be attending the CASA Winter Conference in Palm Springs, Ca. from Wednesday, January 29 2025 through Friday, January 31, 2025.

Director Stewart stated that the main topic would be the EPA's recent biosolids assessment on PFAS.

3. Director Miller stated that the Electronic Annual Report would be kicking off next week with Department wide participation.

Director Miller stated that the Electronic Annual Report would be completed by the due date sometime in late March to early April 2025.

4. Deputy General Manager Ohama stated that a landscaping workshop was given on Saturday, January 18, 2025, at the San Bernardino City Unified School District, and a Fall landscaping class on firescaping would be held at the same location on Saturday, September 27, 2025.

Deputy General Manager Ohama stated that Department staff would be attending the Arrow View Neighborhood Association on Saturday, February 8, 2025, and the Wildwood Park Neighborhood Association on Thursday, February 20, 2025.

Deputy General Manager Ohama stated that Water Conservation staff would be attending the following community events:

- Rube-a-Thon – Saturday, February 8, 2025 at Rialto High School
- Career Day - Wednesday, February 26, 2025 at Kimbark Elementary and Friday, March 7, 2025 at Mt. Vernon Elementary

5. Deputy General Manager Ohama stated that the Department was partnering with the CSUSB Biology Department on a yearlong water quality education program where students develop hypothesis about different water sources, develop proposals, and develop research projects after collecting samples and conducting basic water testing.

D. Report of the General Manager –

1. General Manager Guerrero thanked Director Stewart for leading the effort on the Regional Biosolids Feasibility Study and stated that the RFP was a major step in the process.
2. General Manager Guerrero stated that a press release was distributed regarding the partnership between Supervisor Joe Baca, Jr., the County, and City on the Lead Service Replacement Project.

General Manager Guerrero stated that Director Miller and Tim Potter worked a lot on this project to get it to completion.

3. General Manager Guerrero informed the Water Board that staff was meeting with San Bernardino County on January 28, 2025, to discuss the funding for the planning and design of the septic to sewer project in the Arrowhead Farms area.

11. ADJOURNMENT:

The next regular meeting of the Water Board was scheduled for 9:30 a.m., February 11, 2025, at the Margaret H. Chandler Water Reclamation Plant, located at 399 Chandler Place, San Bernardino, CA, 92408.

By: _____
Miguel J. Guerero, P.E.
General Manager

**CITY OF SAN BERNARDINO
MUNICIPAL WATER DEPARTMENT**

Received 02-04-25
SBMWD AS
General Manager

WATER BOARD
STAFF REPORT

TO: Water Board Commissioners

FROM: Miguel J. Guerrero, General Manager

SUBJECT: **MEMORANDUM OF UNDERSTANDING REGARDING LAND DESIGNATION OF APN 0278-181-20 AND A PORTION OF APN 0278-191-30, ALSO KNOWN AS PALM FIELD AND THE ANTIL PLANT SITE**

DATE: February 4, 2025

COPIES: C. Mouser, S. Miller, S. Morrison, W. Huang, J. Abinto

BACKGROUND/DISCUSSION:

The San Bernardino Municipal Water Department owns two properties located on the north side of East 6th Street, west of Pedley Road. The properties consist of two parcels, 0278-181-20 and a portion of 0278-191-30, also known as Palm Field and the Antil Plant Site, and total approximately 13.8 acres of land (Palm Field Property). The Antil Plant Site includes wells, buildings, booster pumps, and multiple water lines.

In the summer of 2024, City staff requested a meeting with the Water Department to discuss acquiring the Palm Field Property for future City use. On September 13, 2024, an independent appraisal of the Palm Field Property was performed by an independent appraiser contracted by the City. The market value was established at \$2,650,000. Although the properties are currently zoned for “Public Park and Public Facilities”, the appraisal was completed utilizing the highest and best use of Residential Medium Zoning (RM). Additionally, the site was appraised net of an area for a reduced footprint of the Antil Plant Site and with the understanding that improvements consisting of the pump boosters, buildings, and mainlines to the south and southeast of the reduced area were to be removed. The pipeline easements will be preserved and may be relocated to accommodate development, in accordance with the attached Memorandum of Understanding (MOU).

On December 4, 2024, during a Special Meeting of the Mayor and City Council of the City of San Bernardino, the City Council approved a Staff recommendation to allocate \$2,650,000 of ARPA funds towards the redesignation of the Palm Field Property. On February 5, 2025, during a Mayor and Council regular meeting, the City Council approved the attached MOU which designates the Palm Field Property from Water Department use to City general use and approves the transfer of \$2,650,000 from the ARPA Fund to the Water Fund.

Water Board Commissioners

Page 2

February 4, 2025

**SUBJECT: MEMORANDUM OF UNDERSTANDING REGARDING LAND
DESIGNATION OF APN 0278-181-20 AND A PORTION OF APN 0278-191-
30, ALSO KNOWN AS PALM FIELD AND THE ANTIL PLANT SITE**

GOALS AND OBJECTIVES:

Approving this agreement with the City aligns with the Department's Strategic Plan under Target #4: Relationships and Partnerships, Goal #10 - Collaborate with the City. The revised land designation greatly benefits the community by supporting the City's efforts to address homelessness.

FISCAL IMPACT:

Redesignation of Water Department property will result in financial gain for the Water Department. The City will transfer the Palm Field Property appraised value of \$2,650,000 from the ARPA Fund to the Water Fund.

RECOMMENDATION:

It is recommended that the Water Board make the following motion:

- Adopt a Resolution approving the land designation of real property owned by the San Bernardino Municipal Water Department, generally located on the north side of East 6th Street, west of Pedley Road (APN 0278-181-20 and a portion of 0278-191-30); and authorize the General Manager to execute the Memorandum of Understanding.

Respectfully submitted,



Miguel J. Guerrero, P.E.
General Manager

Attachments: Resolution Approving Land Designation MOU
Resolution Exhibit A – Property Map
Resolution Exhibit B – MOU
Appraisal Report

RESOLUTION NO. _____

**RESOLUTION OF THE WATER BOARD OF THE CITY OF
SAN BERNARDINO, CALIFORNIA, APPROVING THE
REDESIGNATION OF REAL PROPERTY GENERALLY
LOCATED ON THE NORTH SIDE OF EAST 6TH STREET,
WEST OF PEDLEY ROAD, ALSO KNOWN AS APN 0278-
181-20 AND A PORTION OF 0278-191-30**

WHEREAS, in accordance with Section 603 of the City Charter, the Water Board, through the City of San Bernardino Municipal Water Department (“Water Department”), is responsible for oversight and management of the City of San Bernardino’s (“City”) water supply, recycled water, wastewater collection and treatment functions (“Water and Wastewater Systems”); and

WHEREAS, the Water Department manages and controls the Water and Wastewater Systems’ revenues, expenses, assets, and liabilities, which are accounted for in utility enterprise funds known as the Water Fund and Sewer Fund, which pursuant to the City Charter are kept separate and apart from the other revenues, expenses, assets, and liabilities of the City; and

WHEREAS, the Mayor and City Council (the “City Council”) of the City, acting as the highest governing body of the City of San Bernardino, a charter city, with regards to general government services; and

WHEREAS, it has been the practice of the City and Water Department to document transfers between City funds, such as the General Fund and ARPA Fund, and Water Fund, and Sewer Fund with Memorandums of Understanding between the City Council, acting as the highest governing body of the City with relation to the ARPA Fund, and the Water Board, acting as the highest governing body of the City with relation to the Water Fund and Sewer Fund, to demonstrate compliance with Proposition 218 (Article XIII D, Section 6 of the Constitution of the State of California); and

WHEREAS, the Water Board has determined that approximately 13.8 acres of real property located at 888 East 6th Street in the City of San Bernardino, defined hereinafter as the Palm Filed Property with a fair market value of two million six hundred fifty thousand dollars (\$2,650,000) as determined by an independent appraisal, is no longer necessary for use by the Water Department; and

WHEREAS, given the value of the property, a transfer of two million six hundred fifty thousand dollars (\$2,650,000) from the ARPA Fund to the Water Fund is required.

BE IT RESOLVED BY THE WATER BOARD OF THE CITY OF SAN BERNARDINO AS FOLLOWS:

SECTION 1. The above recitals are true and correct and are incorporated herein by this reference.

SECTION 2. The Water Board shall, by resolution, remove the designation for use by the San Bernardino Municipal Water Department of that certain real property and improvements comprising approximately 13.8 acres located at 888 East 6th Street, in the City of San Bernardino, County of San Bernardino, State of California, all of the property with assessor's parcel number 0278-181-20 and a portion of 0278-191-30, more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference as though set forth in full (the "Palm Field Property").

SECTION 3. The City Council shall, by resolution, approve a transfer of two million six hundred fifty thousand dollars (\$2,650,000) from the ARPA Fund to the Water Fund.

SECTION 4. The City Council accepts the removal of the designation for use by the Water Department of the Palm Field Property.

SECTION 5. The Water Board accepts a transfer of two million, six hundred fifty thousand dollars (\$2,650,000) from the ARPA Fund to the Water Fund.

SECTION 6. Parties agree the approximately 10,600 square foot area referred to as "Modified Antil Plant" and outline in red in Exhibit "A" shall remain for Water Department use. Water Department access to this area shall be maintained

SECTION 7. Council agrees to preserve easements containing Water Department pipelines depicted in Exhibit "A" and fund Water Department approved relocation of these easements and pipelines if necessary for development of the site. Water Department access to easements and pipelines shall be maintained.

SECTION 8. Funds from the Coronavirus State Fiscal Recovery Fund and/or the Coronavirus Local Fiscal Recovery Fund, together known as the Coronavirus State and Local Fiscal Recovery Funds ("CSLFRF") program, will be used to fund all or a portion of this MOU.

SECTION 9. Parties shall comply with all federal requirements including, but not limited to, the following, all of which are expressly incorporated herein by reference:

- i. Sections 602 and 603 of the Social Security Act as added by Section 9901 of the American Rescue Plan Act of 2021 (the "Act");
- ii. U.S. Department of the Treasury ("Treasury") Final Rule for the Act;
- iii. Treasury Compliance and Reporting Guidance for the Act;
- iv. 2 C.F.R. Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, other than such provisions as the U.S. Department of the Treasury may determine are inapplicable to the CSLFRF program and subject to such exceptions as may be otherwise provided by the U.S. Department of the Treasury;
- v. Treasury Coronavirus Local Fiscal Recovery Fund Award Terms and Conditions; and

vi. Federal contract provisions.

SECTION 10. Subcontracts, if any, shall contain a provision making them subject to all of the provisions stipulated in this MOU. With respect to any conflict between such federal requirements and the terms of this MOU and/or the provisions of state law and except as otherwise required under federal law or regulation, the more stringent requirement shall control.

SECTION 11. The General Manager of the Water Department is hereby authorized and directed to execute on behalf of the Water Board the Land Designation Memorandum of Understanding attached hereto as Exhibit “B” and incorporated herein by this reference as though set forth in full.

SECTION 12. The General Manager of the Water Department is hereby authorized and directed to execute such further documents as may be necessary to carry out the purposes of this Resolution, including any documents necessary to effectuate the designation of properties contemplated by the Memorandum of Understanding, so long as such further documents are approved as to form and content by the City Attorney’s Office.

SECTION 13. The Water Board finds this Resolution is not subject to the California Environmental Quality Act (CEQA) in that the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty, as in this case, that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

SECTION 14. If any provision of this Resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications, and to this end the provisions of this Resolution are declared to be severable.

SECTION 15. This Resolution shall become effective immediately.

APPROVED and **ADOPTED** by the Water Board and signed by the President of the Water Board and attested by the Deputy City Clerk & Ex Officio Secretary of the Water Board this ____ day of _____, 2025.

Toni Callicott, President
City of San Bernardino Water Board

Attest:

Robin Ohama
Deputy City Clerk & Ex Officio Secretary of the Water Board

CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO) ss
CITY OF SAN BERNARDINO)

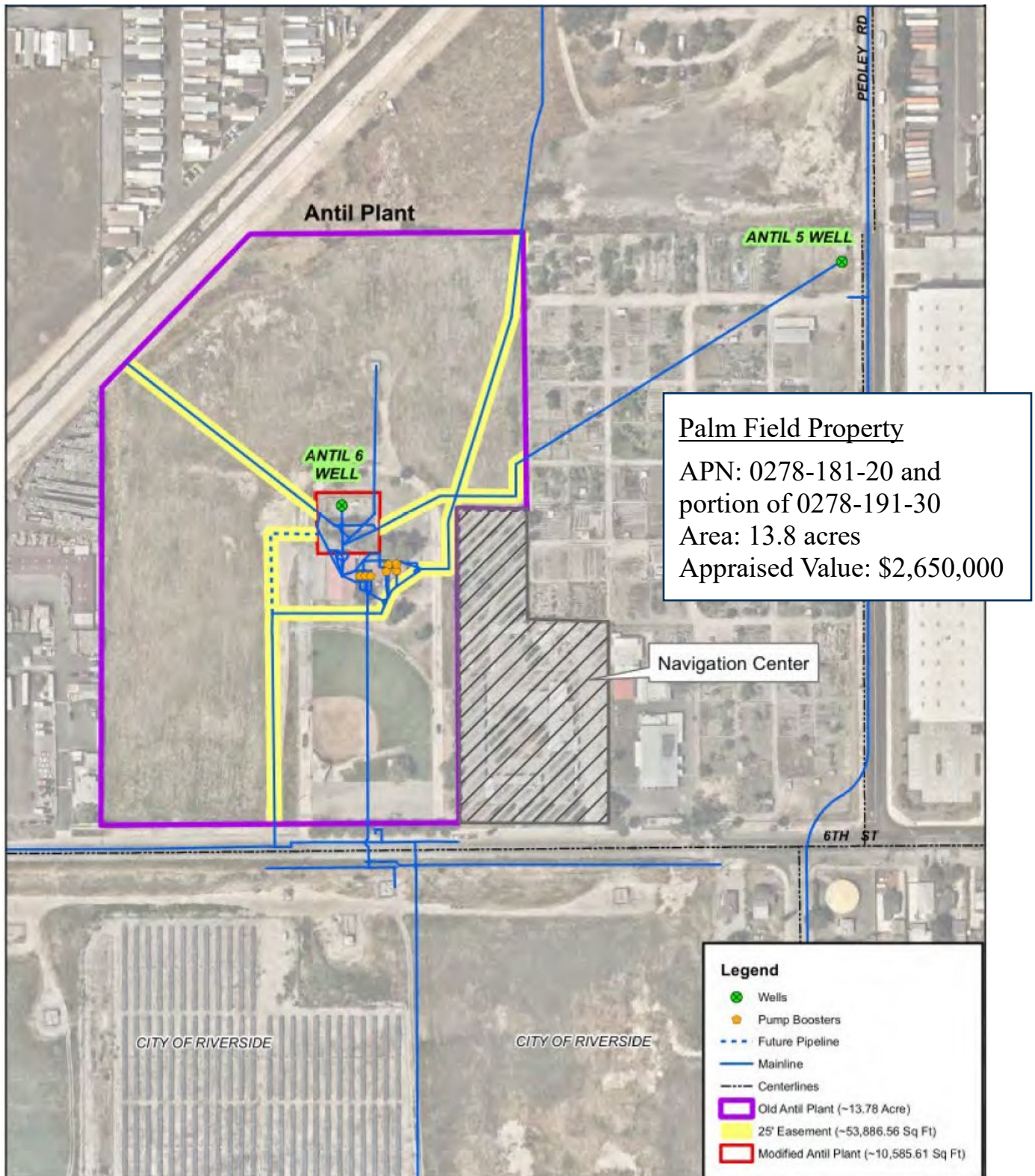
I, Robin Ohama, Deputy City Clerk & Ex Officio Secretary of the Water Board, hereby certify that the attached is a true copy of Resolution No. adopted at a regular meeting held on the ____ day of _____, 2025 by the following vote:

<u>Water Board Members:</u>	<u>AYES</u>	<u>NAYS</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
CALLICOTT	_____	_____	_____	_____
HENDRIX	_____	_____	_____	_____
MLYNARSKI	_____	_____	_____	_____
BRICKLEY	_____	_____	_____	_____
JOHNSON	_____	_____	_____	_____

WITNESS my hand and official seal of the City of San Bernardino this ____ day of _____, 2025.

Robin Ohama
Deputy City Clerk & Ex Officio Secretary of
the Water Board

Exhibit "A"
Palm Field Property



MEMORANDUM OF UNDERSTANDING REGARDING LAND DESIGNATIONS OF CERTAIN PROPERTIES

This MEMORANDUM OF UNDERSTANDING ("MOU") is made and entered into this ____ day of _____, 2025, BY AND BETWEEN:

the MAYOR AND CITY COUNCIL OF THE CITY OF SAN BERNARDINO ("COUNCIL"), acting as the highest governing body of the CITY OF SAN BERNARDINO, a charter city, with regards to general government services;

and,

the WATER BOARD COMMISSIONERS OF THE CITY OF SAN BERNARDINO ("WATER BOARD"), acting as the highest governing body of the SAN BERNARDINO MUNICIPAL WATER DEPARTMENT, a department of the CITY OF SAN BERNARDINO created by the CHARTER OF THE CITY OF SAN BERNARDINO (individually the COUNCIL and WATER BOARD may be referred to as a "PARTY" and collectively the COUNCIL and WATER BOARD may be referred to as the "PARTIES").

RECITALS:

WHEREAS, by the CHARTER OF THE CITY OF SAN BERNARDINO, the COUNCIL is the highest governing body of the CITY OF SAN BERNARDINO with respect to general tax revenues, expenditures, assets, and liabilities, collectively accounted for in the American Rescue Plan Act (ARPA) fund allocation ; and,

WHEREAS, by the CHARTER OF THE CITY OF SAN BERNARDINO, the WATER BOARD is the highest governing body of the CITY OF SAN BERNARDINO with respect to water utility and sewer utility revenues, expenditures, assets, and liabilities, collectively accounted for in the WATER FUND and SEWER FUND, respectively; and

WHEREAS, the WATER BOARD COMMISSIONERS OF THE CITY OF SAN BERNARDINO have determined that approximately 13.8 acres of real property located at 888 East 6th Street in the CITY OF SAN BERNARDINO, defined hereinafter as the PALM FIELD PROPERTY with a fair market value of two million six hundred fifty thousand dollars (\$2,650,000) as determined by an independent appraisal, is no longer necessary for use by the SAN BERNARDINO MUNICIPAL WATER DEPARTMENT; and,

WHEREAS, given the value of the property, a transfer of two million six hundred fifty thousand dollars (\$2,650,000) from the ARPA FUND to the WATER FUND is required; and,

WHEREAS, it has been the practice of the CITY OF SAN BERNARDINO to document transfers between the ARPA FUND, WATER FUND, and SEWER FUND with Memorandums of Understanding between the COUNCIL and the WATER BOARD to demonstrate compliance with Proposition 218 (Article XIII D, Section 6 of the Constitution of the State of California).

NOW, THEREFORE, the PARTIES agree as follows:

MEMORANDUM OF UNDERSTANDING BETWEEN THE COUNCIL AND WATER BOARD REGARDING LAND DESIGNATIONS
OF CERTAIN PROPERTIES

1. The recitals set forth in “RECITALS” are, by this reference, incorporated into and deemed a part of this MOU.
2. The WATER BOARD shall, by resolution, remove the designation for use by the SAN BERNARDINO MUNICIPAL WATER DEPARTMENT of that certain real property and improvements comprising approximately 13.8 acres located at 888 East 6th Street, in the City of San Bernardino, County of San Bernardino, State of California, all of the property with assessor’s parcel number 0278-181-20 and a portion of 0278-191-30, more particularly described in Exhibit “A” attached hereto and incorporated herein by this reference as though set forth in full (the “PALM FIELD PROPERTY”).
3. The COUNCIL shall, by resolution, approve a transfer of two million six hundred fifty thousand dollars (\$2,650,000) from the ARPA FUND to the WATER FUND.
4. The COUNCIL accepts the removal of the designation for use by the SAN BERNARDINO MUNICIPAL WATER DEPARTMENT of the PALM FIELD PROPERTY.
5. The WATER BOARD accepts a transfer of two million six hundred fifty thousand dollars (\$2,650,000) from the ARPA FUND to the WATER FUND.
6. Parties agree the approximately 10,600 square foot area referred to as “Modified Antil Plant” and outline in red in Exhibit “A” shall remain for Water Department use. Water Department access to this area shall be maintained.
7. Council agrees to preserve easements containing Water Department pipelines depicted in Exhibit “A” and fund Water Department approved relocation of these easements and pipelines if necessary for development of the site. Water Department access to easements and pipelines shall be maintained.
8. Funds from the Coronavirus State Fiscal Recovery Fund and/or the Coronavirus Local Fiscal Recovery Fund, together known as the Coronavirus State and Local Fiscal Recovery Funds (“CSLFRF”) program, will be used to fund all or a portion of this MOU. Parties shall comply with all federal requirements including, but not limited to, the following, all of which are expressly incorporated herein by reference:
 - i. Sections 602 and 603 of the Social Security Act as added by Section 9901 of the American Rescue Plan Act of 2021 (the “Act”);
 - ii. U.S. Department of the Treasury (“Treasury”) Final Rule for the Act;
 - iii. Treasury Compliance and Reporting Guidance for the Act;
 - iv. 2 C.F.R. Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, other than such provisions as the U.S. Department of the Treasury may determine are inapplicable to the CSLFRF program and subject to such exceptions as may be otherwise provided by the U.S. Department of the Treasury;
 - v. Treasury Coronavirus Local Fiscal Recovery Fund Award Terms and Conditions; and
 - vi. Federal contract provisions attached hereto as Exhibit “B” and incorporated herein

by reference.

9. Subcontracts, if any, shall contain a provision making them subject to all of the provisions stipulated in this MOU. With respect to any conflict between such federal requirements and the terms of this MOU and/or the provisions of state law and except as otherwise required under federal law or regulation, the more stringent requirement shall control.

[Signature Page Follows]

MEMORANDUM OF UNDERSTANDING REGARDING LAND DESIGNATIONS OF CERTAIN PROPERTIES

By and between the Mayor and Council of the City of San Bernardino and the Water Board of the City of San Bernardino for the land designation of certain properties.

MAYOR AND COUNCIL OF THE
CITY OF SAN BERNARDINO:

Date: _____

By: _____
Rochelle Clayton, Acting City Manager

WATER BOARD OF THE
CITY OF SAN BERNARDINO:

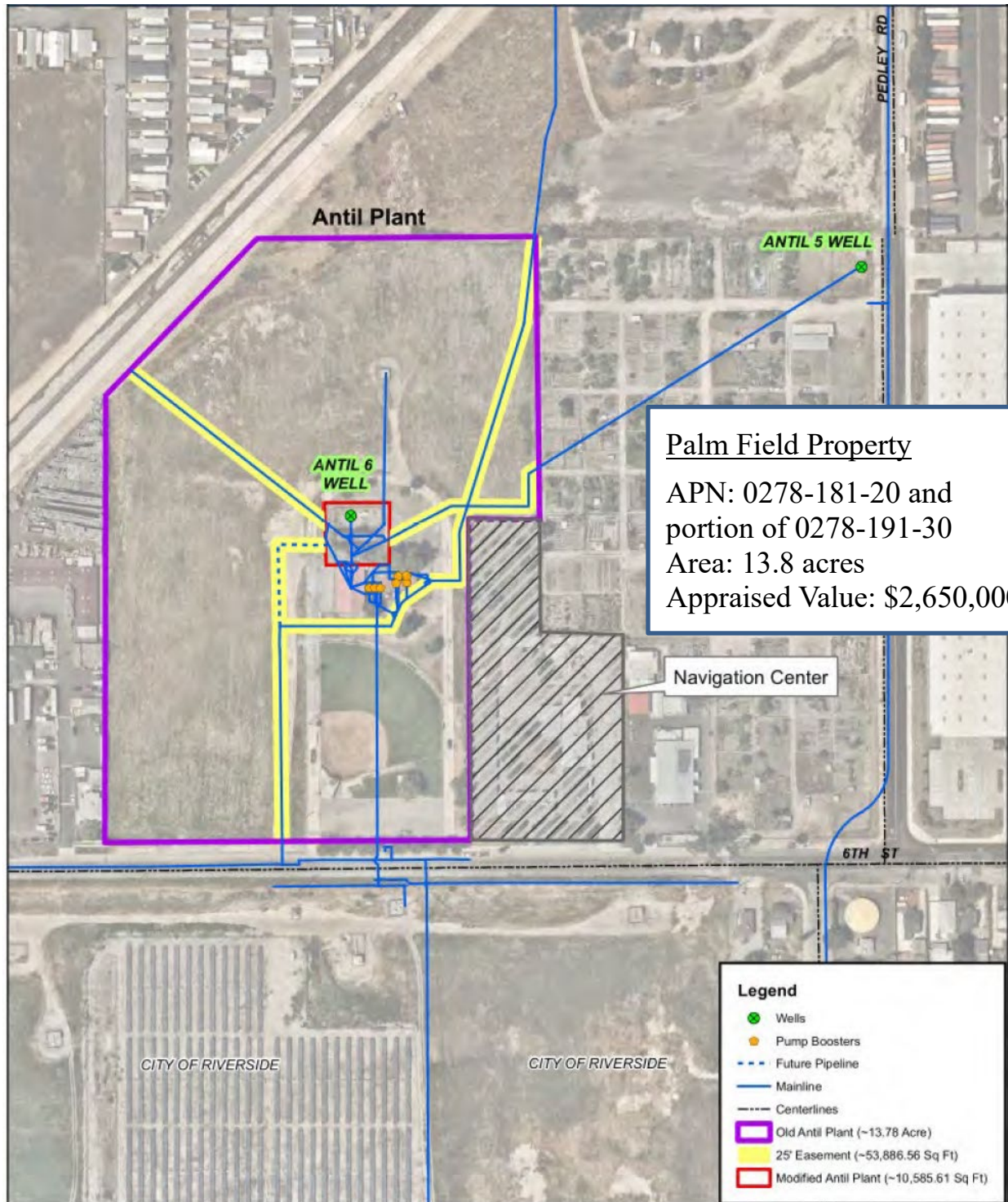
Date: _____

By: _____
Miguel J. Guerrero, General Manager

APPROVED AS TO FORM:

By: _____
City Attorney

Exhibit "A"
Palm Field Property



MEMORANDUM OF UNDERSTANDING BETWEEN THE COUNCIL AND WATER BOARD REGARDING LAND DESIGNATIONS
OF CERTAIN PROPERTIES

EXHIBIT "B"
FEDERAL CONTRACT PROVISIONS

During the performance of this MOU (referred to herein as Agreement), Parties shall comply with all applicable federal laws and regulations including, but not limited to, the federal contract provisions in this Exhibit "B". Obligations directed below to the Consultant shall be deemed to apply to both of the Parties to this MOU.

REQUIRED CONTRACT PROVISIONS IN ACCORDANCE WITH APPENDIX II TO PART 200 – CONTRACT PROVISIONS FOR NON-FEDERAL ENTITY CONTRACTS UNDER FEDERAL AWARDS (2 C.F.R. § 200.327)

Appendix II to Part 200 (A); Appendix II to Part 200 (B): Remedies for Breach; Termination for Cause/Convenience. The Contract Documents include remedies for breach and termination for cause and convenience.

Appendix II to Part 200 (C) – Equal Employment Opportunity: If this Agreement meets the definition of a "federal assisted construction contract" in 41 CFR § 60-1.3, Consultant agrees as follows during the performance of this Agreement:

The Consultant will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The Consultant will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Consultant agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

The Consultant will, in all solicitations or advertisements for employees placed by or on behalf of the Consultant, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.

The Consultant will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the Consultant's legal duty to furnish information.

The Consultant will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be

provided advising the said labor union or workers' representatives of the Consultant's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

The Consultant will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

The Consultant will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

In the event of the Consultant's noncompliance with the nondiscrimination clauses of this Agreement or with any of the said rules, regulations, or orders, this Agreement may be canceled, terminated, or suspended in whole or in part and the Consultant may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

The Consultant will include the portion of the sentence immediately preceding paragraph (i) and the provisions of paragraphs (i) through (vii) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Consultant will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance:

Provided, however, that in the event the Consultant becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency, the Consultant may request the United States to enter into such litigation to protect the interests of the United States.

The City further agrees that it will be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work: Provided, That if the City so participating is a State or local government, the above equal opportunity clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under the Agreement.

The City agrees that it will assist and cooperate actively with the administering agency and the Secretary of Labor in obtaining the compliance of the Consultant and subcontractors with the equal opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor, that it will furnish the administering agency and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist the administering agency in the discharge of the agency's primary responsibility for securing compliance.

The City further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to the Executive Order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by the administering agency or the Secretary of Labor pursuant to Part II, Subpart D of the Executive Order. In addition, the City agrees that if it fails or refuses to comply with these undertakings, the administering agency may take any or all of the following actions: cancel, terminate, or suspend in whole or in part the grant (contract, loan, insurance, guarantee) for this project; refrain from extending any further assistance to the applicant under the program with respect to which the failure or refund occurred until satisfactory assurance of future compliance has been received from such applicant; and refer the case to the Department of Justice for appropriate legal proceedings.

Appendix II to Part 200 (D) – Davis-Bacon Act: Not applicable to this Agreement since it is funded by CSLFRF.

Appendix II to Part 200 (D) – Copeland “Anti-Kickback” Act: Not applicable to this Agreement since it is funded by CSLFRF.

Appendix II to Part 200 (E) – Contract Work Hours and Safety Standards Act:

Overtime Requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (ii) of this section the Consultant and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (ii) of this section, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (ii) of this section.

Withholding for unpaid wages and liquidated damages. The City shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the Consultant or subcontractor under any such contract or any other Federal contract with the Consultant, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the Consultant, such sums as may be determined to be necessary to satisfy any liabilities of Consultant or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (iii) of this section.

Subcontracts. The Consultant or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (ii) through (v) of this Section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The Consultant shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (ii) through (v) of this Section.

Appendix II to Part 200 (F) – Rights to Inventions Made Under a Contract or Agreement:
If the Federal award meets the definition of “funding agreement” under 37 CFR § 401.2 (a) and the Consultant wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the Consultant must comply with the requirements of 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency..

Appendix II to Part 200 (G) – Clean Air Act and Federal Water Pollution Control Act:

Pursuant to the Clean Air Act, (1) Consultant agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq., (2) Consultant agrees to report each violation to the City and understands and agrees that the City will, in turn, report each violation as required to assure notification to the Federal awarding agency and the appropriate Environmental Protection Agency Regional Office, and (3) Consultant agrees to include these requirements in each subcontract exceeding \$150,000.

Pursuant to the Federal Water Pollution Control Act, (1) Consultant agrees to comply with all applicable standards, orders or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq., (2) Consultant agrees to report each violation to the City and understands and agrees that the City will, in turn, report each violation as required to assure notification to the Federal awarding agency and the appropriate Environmental Protection Agency Regional Office, and (3) Consultant agrees to include these requirements in each subcontract exceeding \$150,000.

Appendix II to Part 200 (H) – Debarment and Suspension:

This Agreement is a covered transaction for purposes of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000. As such Consultant is required to verify that none of the Consultant, its principals (defined at 2 C.F.R. § 180.995), or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935).

Consultant must comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.

This certification is a material representation of fact relied upon by City. If it is later determined that Consultant did not comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, in addition to remedies available to the City, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment.

Consultant warrants that it is not debarred, suspended, or otherwise excluded from or ineligible for participation in any federal programs. Consultant also agrees to verify that all subcontractors performing work under this Agreement are not debarred, disqualified, or otherwise prohibited from participation in accordance with the requirements above. Consultant further agrees to notify the City in writing immediately if Consultant or its subcontractors are not in compliance during the term of this Agreement.

Appendix II to Part 200 (I) – Byrd Anti-Lobbying Act: Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the recipient who in turn will forward the certification(s) to the awarding agency.

Appendix II to Part 200 (J) – §200.323 Procurement of Recovered Materials:

Consultant shall comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement.

In the performance of this Agreement, the Consultant shall make maximum use of products containing recovered materials that are EPA-designated items unless the product cannot be acquired: competitively within a timeframe providing for compliance with the contract performance schedule; meeting contract performance requirements; or at a reasonable price.

Information about this requirement, along with the list of EPA-designate items, is available at EPA's Comprehensive Procurement Guidelines web site, <https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program>.

The Consultant also agrees to comply with all other applicable requirements of Section 6002 of the Solid Waste Disposal Act.”

Appendix II to Part 200 (K) – §200.216 Prohibition on Certain Telecommunications and Video Surveillance Services or Equipment:

Consultant shall not contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system funded under this Agreement. As described in Public Law 115–232, section 889, covered telecommunications equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities).

For the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities).

Telecommunications or video surveillance services provided by such entities or using such equipment.

Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

See Public Law 115-232, section 889 for additional information.

Appendix II to Part 200 (L) – §200.322 Domestic Preferences for Procurement:

Consultant shall, to the greatest extent practicable, purchase, acquire, or use goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all subcontracts.

For purposes of this section:

“Produced in the United States” means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.

“Manufactured products” means items and construction materials composed in whole or in part of nonferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.

CONTRACTING WITH SMALL AND MINORITY FIRMS, WOMEN’S BUSINESS ENTERPRISE AND LABOR SURPLUS AREA FIRMS (2 C.F.R. § 200.321)

Consultant shall be subject to 2 C.F.R. § 200.321 and will take affirmative steps to assure that minority firms, women’s business enterprises, and labor surplus area firms are used when possible and will not be discriminated against on the grounds of race, color, religious creed, sex, or national origin in consideration for an award.

Affirmative steps shall include:

Placing qualified small and minority businesses and women's business enterprises on solicitation lists;

Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;

Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business, and women's business enterprises;

Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women's business enterprises; and

Using the services/assistance of the Small Business Administration (SBA), and the Minority Business Development Agency (MBDA) of the Department of Commerce.

Consultant shall submit evidence of compliance with the foregoing affirmative steps when requested by the City.

COMPLIANCE WITH U.S. DEPARTMENT OF THE TREASURY CORONAVIRUS LOCAL FISCAL RECOVERY FUND AWARD TERMS AND CONDITIONS

Maintenance of and Access to Records. Consultant shall maintain records and financial documents sufficient to evidence compliance with section 603(c) of the Act, Treasury's regulations implementing that section, and guidance issued by Treasury regarding the foregoing. Consultant agrees to provide the City, Treasury Office of Inspector General and the Government Accountability Office, or any of their authorized representatives access to any books, documents, papers, and records (electronic and otherwise) of the Consultant which are directly pertinent to this Agreement for the purposes of conducting audits or other investigations. Records shall be maintained by Consultant for a period of five (5) years after completion of the Project.

Compliance with Federal Regulations. Consultant agrees to comply with the requirements of section 603 of the Act, regulations adopted by Treasury pursuant to section 603(f) of the Act, and guidance issued by Treasury regarding the foregoing. Consultant also agrees to comply with all other applicable federal statutes, regulations, and executive orders, including, without limitation, the following:

Universal Identifier and System for Award Management (SAM), 2 C.F.R. Part 25, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 25 is hereby incorporated by reference.

Reporting Subaward and Executive Compensation Information, 2 C.F.R. Part 170, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 170 is hereby incorporated by reference.

OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement), 2 C.F.R. Part 180, including the requirement to include a term or condition in all lower tier covered transactions (contracts and subcontracts described in 2 C.F.R. Part 180, subpart B) that the award is subject to 2 C.F.R. Part 180 and Treasury's implementing regulation at 31 C.F.R. Part 19.

Recipient Integrity and Performance Matters, pursuant to which the award term set forth in 2 C.F.R. Part 200, Appendix XII to Part 200 is hereby incorporated by reference.

Governmentwide Requirements for Drug-Free Workplace, 31 C.F.R. Part 20.

New Restrictions on Lobbying, 31 C.F.R. Part 21.

Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (42 U.S.C. §§ 4601-4655) and implementing regulations.

Compliance with Federal Statutes and Regulations Prohibiting Discrimination. Consultant agrees to comply with statutes and regulations prohibiting discrimination applicable to the CSLFRF program including, without limitation, the following:

Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d et seq.) and Treasury's implementing regulations at 31 C.F.R. Part 22, which prohibit discrimination on the basis of race, color, or national origin under programs or activities receiving federal financial assistance.

The Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§ 3601 et seq.), which prohibits discrimination in housing on the basis of race, color, religion, national origin, sex, familial status, or disability.

Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), which prohibits discrimination on the basis of disability under any program or activity receiving federal financial assistance.

The Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101 et seq.), and Treasury's implementing regulations at 31 C.F.R. Part 23, which prohibit discrimination on the basis of age in programs or activities receiving federal financial assistance.

Title II of the Americans with Disabilities Act of 1990, as amended (42 U.S.C. §§ 12101 et seq.), which prohibits discrimination on the basis of disability under programs, activities, and services provided or made available by state and local governments or instrumentalities or agencies thereto.

False Statements. Consultant understands that making false statements or claims in connection with the CSLFRF program is a violation of federal law and may result in criminal, civil, or administrative sanctions, including fines, imprisonment, civil damages and penalties, debarment from participating in federal awards or contracts, and/or any other remedy available by law.

Protections for Whistleblowers.

In accordance with 41 U.S.C. § 4712, Consultant may not discharge, demote, or otherwise discriminate against an employee in reprisal for disclosing to any of the list of persons or entities provided below, information that the employee reasonably believes is evidence of gross mismanagement of a federal contract or grant, a gross waste of federal funds, an abuse of authority relating to a federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a federal contract (including the competition for or negotiation of a contract) or grant.

The list of persons and entities referenced in the paragraph above includes the following:

A member of Congress or a representative of a committee of Congress;

An Inspector General;

The Government Accountability Office;

A Treasury employee responsible for contract or grant oversight or management;

An authorized official of the Department of Justice or other law enforcement agency;

A court or grand jury; or

A management official or other employee of Consultant, or a subcontractor who has the responsibility to investigate, discover, or address misconduct.

Increasing Seat Belt Use in the United States. Pursuant to Executive Order 13043, 62 FR 19217 (Apr. 18, 1997), Consultant is encouraged to adopt and enforce on-the-job seat belt policies and programs for their employees when operating company-owned, rented or personally owned vehicles, and encourage its subcontractors to do the same

Reducing Text Messaging While Driving. Pursuant to Executive Order 13513, 74 FR 51225 (Oct. 6, 2009), Consultant should encourage its employees and subcontractors to adopt and enforce policies that ban text messaging while driving, and Consultant should establish workplace safety policies to decrease accidents caused by distracted drivers.

Assurances of Compliance with Civil Rights Requirements. The Civil Rights Restoration Act of 1987 provides that the provisions of this assurance apply to the Project, including, but not limited to, the following:

Consultant ensures its current and future compliance with Title VI of the Civil Rights Act of 1964, as amended, which prohibits exclusion from participation, denial of the benefits of, or subjection to discrimination under programs and activities receiving federal funds, of any person in the United States on the ground of race, color, or national origin (42 U.S.C. § 2000d *et seq.*), as implemented by the Department of the Treasury Title VI regulations at 31 CFR Part 22 and other pertinent executive orders such as Executive Order 13166; directives; circulars; policies; memoranda and/or guidance documents.

Consultant acknowledges that Executive Order 13166, "Improving Access to Services for Persons with Limited English Proficiency (LEP)," seeks to improve access to federally assisted programs and activities for individuals who, because of national origin, are limited in their English proficiency. Consultant understands that the denial of access to persons to its programs, services and activities because of their limited proficiency in English is a form of national origin discrimination prohibited under Title VI of the Civil Rights Act of 1964. Accordingly, Consultant shall initiate reasonable steps, or comply with Treasury's directives, to ensure meaningful access to its programs, services and activities to LEP persons. Consultant understands and agrees that meaningful access may entail providing language assistance services, including oral interpretation and written translation where necessary to ensure effective communication in the Project.

Consultant agrees to consider the need for language services for LEP persons during development of applicable budgets and when conducting programs, services and activities. As a resource, the Department of the Treasury has published its LEP guidance at 70 FR 6067. For more information on LEP, please visit <http://www.lep.gov>.

Consultant acknowledges and agrees that compliance with this assurance constitutes a condition of continued receipt of federal financial assistance and is binding upon Consultant and Consultant's successors, transferees and assignees for the period in which such assistance is provided.

Consultant agrees to incorporate the following language in every contract or agreement subject to Title VI and its regulations between the Consultant and the Consultant's subcontractors, successors, transferees and assignees:

The subcontractor, successor, transferee and assignee shall comply with Title VI of the Civil Rights Act of 1964, which prohibits recipients of federal financial assistance from excluding from a program or activity, denying benefits of, or otherwise discriminating against a person on the basis of race, color, or national origin (42 U.S.C. § 2000d et seq.), as implemented by Department of the Treasury Title VI regulations, 31 CFR Part 22, which are herein incorporated by reference and made a part of this contract (or agreement). Title VI also extends protection to persons with "Limited English proficiency" in any program or activity receiving federal financial assistance, 42 U.S.C. § 2000d et seq., as implemented by Department of the Treasury Title VI regulations, 31 CFR Part 22, which are herein incorporated by reference and made a part of this contract (or agreement).

Consultant understands and agrees that if any real property or structure is provided or improved with the aid of federal financial assistance by the Department of the Treasury, this assurance obligates the Consultant, or in the case of a subsequent transfer, the transferee, for the period during which the real property or structure is used for a purpose for which the federal financial assistance is extended or for another purpose involving the provision of similar services or benefits. If any personal property is provided, this assurance obligates the Consultant for the period during which it retains ownership or possession of the property.

Consultant shall cooperate in any enforcement or compliance review activities by the Department of the Treasury of the aforementioned obligations. Enforcement may include investigation, arbitration, mediation, litigation, and monitoring of any settlement agreements that may result from these actions. Consultant shall comply with information requests, on-site compliance reviews, and reporting requirements.

Consultant shall maintain a complaint log and inform the Department of the Treasury of any accusations of discrimination on the grounds of race, color, or national origin, and limited English proficiency covered by Title VI of the Civil Rights Act of 1964 and implementing regulations and provide, upon request, a list of all such reviews or proceedings based on the complaint, pending or completed, including outcome. Consultant must also inform the Department of the Treasury if Consultant has received no complaints under Title VI.

Consultant must provide documentation of an administrative agency's or court's findings of non-compliance of Title VI and efforts to address the non-compliance, including any

voluntary compliance or other agreements between the Consultant and the administrative agency that made the finding. If the Consultant settles a case or matter alleging such discrimination, Consultant must provide documentation of the settlement. If Consultant has not been the subject of any court or administrative agency finding of discrimination, please so state.

If Consultant makes sub-awards to other agencies or other entities, Consultant is responsible for assuring that sub-recipients also comply with Title VI and all of the applicable authorities covered in this assurance.

Appraisal Report

PALM FIELD PARK/ANTIL PLANT SITE

North side of 6th Street, Between Cooley St and Pedley Rd
San Bernardino, California 92410

Prepared for: City of San Bernardino
Date of Report: September 13, 2024
CBRE File No.: CB24US053175-1

Date of Report: September 13, 2024

Mr. Joshua Dramitinos, RWA
Deputy Director, Economic Development
CITY OF SAN BERNARDINO
290 North D St
San Bernardino, California 92401

RE: Appraisal of: Palm Field Park/Antil Plant Site
North side of 6th Street, Between Cooley St and Pedley Rd
San Bernardino, San Bernardino County, California
CBRE File No.: CB24US053175-1

Dear Mr. Dramitinos:

At your request and authorization, CBRE, Inc. has prepared an appraisal of the market value of the referenced property. Our analysis is presented in the following Appraisal Report.

The subject property is known as Palm Field Park, which is a 13.78-acre site (per client provided mapping) located on the north side of 6th Street, between Cooley Street and Pedley Road, in the city of San Bernardino. The property consists of all of APN 0278-181-20 and a portion of APN 0278-191-30. The property is also referred to as the Antil Plant site. The intended use of the appraisal is to assist in the transfer of the property from the San Bernardino Municipal Water District to the Economic Development Department, both City agencies.

Because the property is owned by a public agency and utilized as a park, it is zoned Public Park and Public Facilities. However, based on our conversations with City Planning staff, the site would likely be zoned Residential Medium (RM) if it were privately owned. Therefore, we have appraised the site under the extraordinary assumption that the site would be zoned RM if it were private owned. In addition, it is our understanding that there is a well on the property that will remain after the site is transferred. We have appraised the property net of the area for the well. Also, there are several pump boosters, buildings and mainlines to the south and southeast of the well area. We have been instructed to assume that these improvements have been removed and will not impact development of the site to its highest and best use. Finally, there are existing easements on the property for pipeline purposes. We have been instructed to assume that the easements can be relocated to accommodate development.

Based on the analysis contained in the following report, the market value of the subject is concluded as follows:

MARKET VALUE CONCLUSION			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Land Value	Fee Simple Estate	August 31, 2024	\$2,650,000
Compiled by CBRE			

This Appraisal Report is subject to Extraordinary Assumptions and/or Hypothetical Conditions; please refer to the Executive Summary section of this report for further discussion and analysis.

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter.

The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), and the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.

The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. As a condition to being granted the status of an intended user, any intended user who has not entered into a written agreement with CBRE in connection with its use of our report agrees to be bound by the terms and conditions of the agreement between CBRE and the client who ordered the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to any non-intended users does not extend reliance to any such party, and CBRE will not be responsible for any unauthorized use of or reliance upon the report, its conclusions or contents (or any portion thereof).

It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis, or if CBRE can be of further service, please contact us.

Respectfully submitted,

CBRE - VALUATION & ADVISORY SERVICES



Beth Finestone, MAI, AI-GRE, FRICS, CRE
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Jerardo Arciniega, MAI
Title: VAS - Vice President
Phone: (818) 251-3667
Email: Jerardo.Arciniega@cbre.com
License No. & State: AG042445 CA

Certification

We certify to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. Beth Finestone, MAI, AI-GRE, FRICS, CRE and Jerardo Arciniega, MAI have not provided any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice.
9. Jerardo Arciniega, MAI has made a personal inspection of the property that is the subject of this report. Beth Finestone, MAI, AI-GRE, FRICS, CRE has not made a personal inspection of the property that is the subject of this report.
10. No one provided significant real property appraisal assistance to the persons signing this certification.
11. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of the date of this report, Beth Finestone, MAI, AI-GRE, FRICS, CRE and Jerardo Arciniega, MAI have completed the continuing education program for Designated Members of the Appraisal Institute.
14. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the State of California.

Beth Finestone, MAI, AI-GRE, FRICS, CRE
Certified General AG 004030 CA

Jerardo Arciniega, MAI
Certified General AG042445 CA

Subject Photographs & Maps



Aerial View

We have been asked to appraise the area outlined in purple, which consists of all of APN 0278-181-20 and a portion of APN 0278-191-30. Based on the client's request, our appraisal is based on the assumption that a lot split has already occurred and that the subject property consists of a legal lot. It is also our understanding that while the entire area outlined in purple will be transferred, the well site, outlined in red, will remain on the property. The site also has multiple easements for pipeline purposes, shown in yellow and blue above. Per the client's instructions, we have assumed the easements can be relocated to accommodate development, with the note that one of the easements must connect to the adjacent flood channel. Finally, they have asked that we assume that the improvements south of the well site have been removed.



Aerial View



Northeast view of the subject from the southwest corner.



Northeast view of the property.



Northwest view of the subject, taken from the southeast corner of the property.



Northeast view of the subject, taken from the southeast corner of the property.



North view along the west side of the property.



Westerly view along the west side of the property.



Southerly view along the west side of the property.



Northwest view of the northwest corner of the property.



View of the well site.



Southwest view of the building improvements.



Northwest view of the building improvements.



Southwest view of the baseball field.



East view of the baseball field improvements.



Northerly view of the east side of the property.



Northeast view of the northeast corner of the property.



North view of the northern portion of the property.



East view along 6th Street (subject at left).



West view along 6th Street (subject at right).

Executive Summary

Property Name	Palm Field Park	
Location	North side of 6th Street, Between Cooley St and Pedley Rd San Bernardino, San Bernardino County, CA 92410	
Parcel Numbers	0278-181-20, 0278-191-30 (portions of)	
Client	City of San Bernardino	
Highest and Best Use		
As If Vacant	Residential development	
As Improved	N/A	
Property Rights Appraised	Fee Simple Estate	
Date of Inspection	August 31, 2024	
Estimated Exposure Time	6 - 15 Months	
Estimated Marketing Time	6 - 15 Months	
Gross Land Area	13.78 AC	600,256 SF
Net Land Area	13.54 AC	589,670 SF
Zoning	RM, Residential Medium	
Buyer Profile	Developer	
VALUATION		
Land Value	<i>Total</i>	<i>Per SF</i>
	\$2,650,000	\$4.49

CONCLUDED MARKET VALUE			
Appraisal Premise	Interest Appraised	Date of Value	Value
Land Value	Fee Simple Estate	August 31, 2024	\$2,650,000
Compiled by CBRE			

Market Volatility

We draw your attention to a combination of inflationary pressures (leading to higher interest rates) and recent failures/stress in banking systems which have significantly increased the potential for constrained credit markets, negative capital value movements and enhanced volatility in property markets over the short-to-medium term.

Experience has shown that consumer and investor behavior can quickly change during periods of such heightened volatility. Lending or investment decisions should reflect this heightened level of volatility and the potential for deteriorating market conditions.

It is important to note that the conclusions set out in this report are valid as of the valuation date only. Where appropriate, we recommend that the valuation is closely monitored, as we continue to track how markets respond to evolving events.

Extraordinary Assumptions

An extraordinary assumption is defined as “an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions.” ¹

- We have been asked to appraise all of APN 0278-181-20 and a portion of APN 0278-191-30. Based on the client’s request, this appraisal is based on the assumption that a lot split has already taken place and that the subject property consists of a legal lot.
- Because the property is owned by a public agency and utilized as a park, it is zoned Public Park and Public Facilities. However, based on our conversations with City Planning staff, the site would likely be zoned Residential Medium (RM) if it were privately owned. Therefore, we have appraised the site under the extraordinary assumption that the site would be zoned RM if it were privately owned.
- There are several pump boosters, buildings and mainlines to the south and southeast of the well area. We have been instructed to assume that these improvements have been removed and will not impact development of the site to its highest and best use.
- There are existing easements on the property for pipeline purposes. We have been instructed to assume that the easements can be relocated to accommodate development. We note that one of the easements must connect to the adjacent flood channel. Our report is based on the extraordinary assumption that the easements can be relocated to accommodate a highest and best use development.
- The use of these extraordinary assumptions may have affected the assignment results.

Hypothetical Conditions

A hypothetical condition is defined as “a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purposes of analysis.” ²

- None noted

Ownership and Property History

According to public records, the subject property is owned by the City of San Bernardino Water Works and the City of San Bernardino. CBRE is unaware of any arm’s length ownership transfers of the property within three years of the date of appraisal. Further, the property is not reportedly being offered for sale as of the current date. However, we note that the purpose of this appraisal is to assist in the transfer of the site from the San Bernardino Municipal Water District to the City of San Bernardino Development Department at the appraised value.

Exposure/Marketing Time

Current appraisal guidelines require an estimate of a reasonable time period in which the subject could be brought to market and sold. This reasonable time frame can either be examined historically or prospectively. In a historical analysis, this is referred to as exposure time. Exposure time always precedes

¹ The Appraisal Foundation, *USPAP, 2024 Edition* (Effective January 1, 2024)

² The Appraisal Foundation, *USPAP, 2024 Edition* (Effective January 1, 2024)

the date of value, with the underlying premise being the time a property would have been on the market prior to the date of value, such that it would sell at its appraised value as of the date of value. On a prospective basis, the term marketing time is most often used. The exposure/marketing time is a function of price, time, and use. It is not an isolated estimate of time alone. In consideration of these factors, we have analyzed the following:

- exposure periods for comparable sales used in this appraisal; and
- exposure/marketing time information from the PwC Real Estate Investor Survey.

The following table presents the information derived from these sources.

EXPOSURE/MARKETING TIME DATA					
Investment Type	Exposure/Mktg. (Months)				
	Range			Median	Average
Comparable Sales Data	0.8	-	48.7	4.6	16.6
<i>PwC Apartment (2nd Qtr. 2024)</i>					
National Data	3.0	-	15.0		6.3
CBRE Exposure Time Estimate			6 - 15 Months		
CBRE Marketing Period Estimate			6 - 15 Months		
Various Sources Compiled by CBRE					

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ADDENDA

A Land Sale Data Sheets

B Subject Mapping

C Qualifications

Scope of Work

This Appraisal Report is intended to comply with the real property appraisal development and reporting requirements set forth under Standards Rule 1 and 2 of USPAP. The scope of the assignment relates to the extent and manner in which research is conducted, data is gathered, and analysis is applied.

Intended Use Of Report

The purpose of the appraisal is to estimate the market value of the property, as of the current date. The appraisal will be used for the transfer of the property from the San Bernardino Municipal Water District to the Economic Development Department. These are both entities of the City of San Bernardino (City). Essentially, the asset will be transferred from one City entity to another, and our appraisal will set the internal transfer price. No other use is permitted.

Client

The client is the City of San Bernardino.

Intended User Of Report

This appraisal is to be used by the City of San Bernardino. No other user may rely on our report unless as specifically indicated in this report.

Intended users are those who an appraiser intends will use the appraisal or review report. In other words, appraisers acknowledge at the outset of the assignment that they are developing their expert opinions for the use of the intended users they identify. Although the client provides information about the parties who may be intended users, ultimately it is the appraiser who decides who they are. This is an important point to be clear about: The client does not tell the appraiser who the intended users will be. Rather, the client tells the appraiser who the client needs the report to be speaking to, and given that information, the appraiser identifies the intended user or users. It is important to identify intended users because an appraiser's primary responsibility regarding the use of the report's opinions and conclusions is to those users. Intended users are those parties to whom an appraiser is responsible for communicating the findings in a clear and understandable manner. They are the audience. ³

Reliance Language

Reliance on any reports produced by CBRE under this Agreement is extended solely to parties and entities expressly acknowledged in a signed writing by CBRE as Intended Users of the respective reports, provided that any conditions to such acknowledgement required by CBRE or hereunder have been satisfied. Parties or entities other than Intended Users who obtain a copy of the report or any portion thereof (including Client if it is not named as an Intended User), whether as a result of its direct dissemination or by any other means, may not rely upon any opinions or conclusions contained in the report or such portions thereof, and CBRE will not be responsible for any unpermitted use of the report, its conclusions or contents or have any liability in connection therewith.

³ Appraisal Institute, *The Appraisal of Real Estate*, 15th ed. (Chicago: Appraisal Institute, 2020), 40.

Purpose of the Appraisal

The purpose of this appraisal is to develop an opinion of the market value of the subject property.

Definition of Value

The current economic definition of market value agreed upon by agencies that regulate federal financial institutions in the U.S. (and used herein) is as follows:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.⁴

Interest Appraised

The value estimated represents Fee Simple Estate as defined below:

Fee Simple Estate - Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.⁵

Extent to Which the Property is Identified

The property is identified through the following sources:

- Postal address
- Assessor's records
- City provided mapping
- Legal description

Extent to Which the Property is Inspected

Jerardo Arciniega, MAI inspected the subject, as well as its surrounding environs on the effective date of appraisal. This inspection was considered adequate and is the basis for our findings. Beth Finestone, MAI, AI-GRE, FRICS, CRE did not perform an inspection of the subject property.

⁴ 12 CFR, Part 34, Subpart C-Appraisals, 34.42(h).

⁵ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022), 73.

Type and Extent of the Data Researched

CBRE reviewed the following:

- Zoning requirements
- Flood zone status
- Demographics
- Comparable data

Type and Extent of Analysis Applied

CBRE, Inc. analyzed the data gathered through the use of appropriate and accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value. For vacant land, the sales comparison approach has been employed for this assignment.

Statement of Competency

The appraisers have the appropriate knowledge, education, and experience to complete this assignment competently.

Appraisal Methodology

In appraisal practice, an approach to value is included or omitted based on its applicability to the property type being valued and the quality and quantity of information available. Depending on a specific appraisal assignment, any of the following four methods may be used to determine the market value of the fee simple interest of land:

- Sales Comparison Approach;
- Income Capitalization Procedures;
- Allocation; and
- Extraction.

The following summaries of each method are paraphrased from the text.

The first is the sales comparison approach. This is a process of analyzing sales of similar, recently sold parcels in order to derive an indication of the most probable sales price (or value) of the property being appraised. The reliability of this approach is dependent upon (a) the availability of comparable sales data, (b) the verification of the sales data regarding size, price, terms of sale, among others, (c) the degree of comparability or extent of adjustment necessary for differences between the subject and the comparables, and (d) the absence of nontypical conditions affecting the sales price. This is the primary and most reliable method used to value land (if adequate data exists).

The income capitalization procedures include three methods: land residual technique, ground rent capitalization, and Subdivision Development Analysis. A discussion of each of these three techniques is presented in the following paragraphs.

The land residual method may be used to estimate land value when sales data on similar parcels of vacant land are lacking. This technique is based on the principle of balance and the related concept of contribution, which are concerned with equilibrium among the agents of production--i.e. labor, capital, coordination, and land. The land residual technique can be used to estimate land value when: 1) building value is known or can be accurately estimated, 2) stabilized, annual net operating income to the property is known or estimable, and 3) both

building and land capitalization rates can be extracted from the market. Building value can be estimated for new or proposed buildings that represent the highest and best use of the property and have not yet incurred physical deterioration or functional obsolescence.

The subdivision development method is used to value land when subdivision and development represent the highest and best use of the appraised parcel. In this method, an appraiser determines the number and size of lots that can be created from the appraised land physically, legally, and economically. The value of the underlying land is then estimated through a discounted cash flow analysis with revenues based on the achievable sale price of the finished product and expenses based on all costs required to complete and sell the finished product.

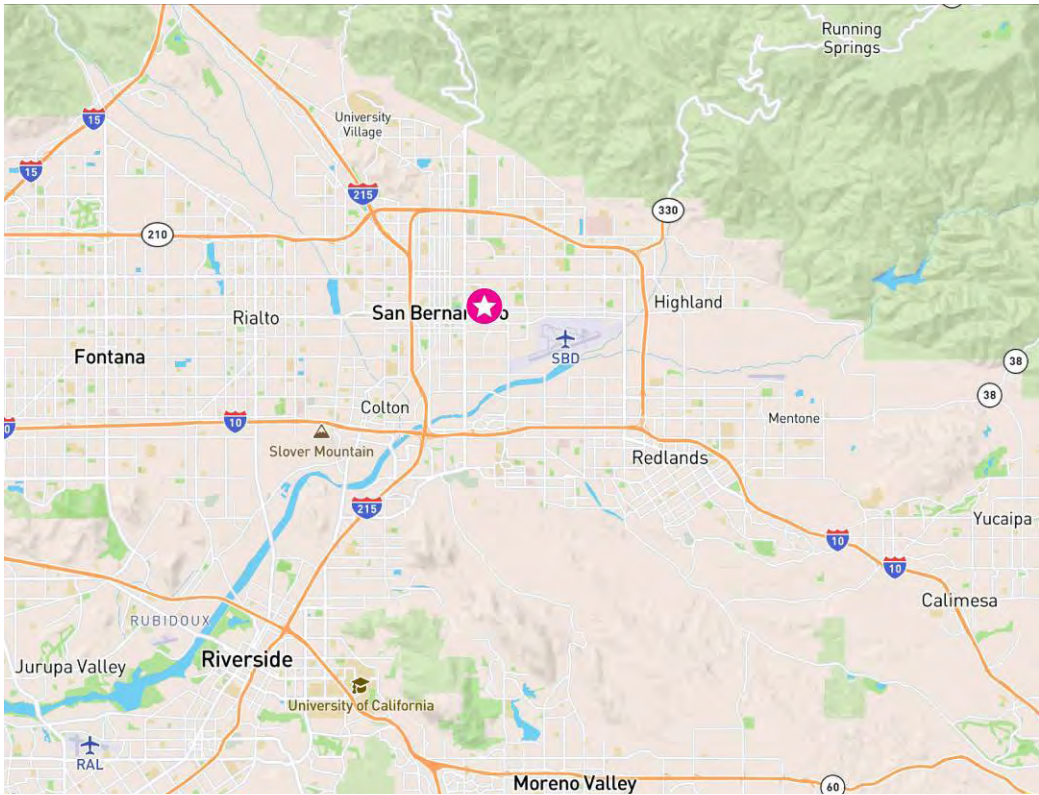
The ground rent capitalization procedure is predicated upon the assumption that ground rents can be capitalized at an appropriate rate to indicate the market value of a site. Ground rent is paid for the right to use and occupy the land according to the terms of the ground lease; it corresponds to the value of the landowner's interest in the land. Market-derived capitalization rates are used to convert ground rent into market value. This procedure is useful when an analysis of comparable sales of leased land indicates a range of rents and reasonable support for capitalization rates can be obtained.

The allocation method is typically used when sales are so rare that the value cannot be estimated by direct comparison. This method is based on the principle of balance and the related concept of contribution, which affirm that there is a normal or typical ratio of land value to property value for specific categories of real estate in specific locations. This ratio is generally more reliable when the subject property includes relatively new improvements. The allocation method does not produce conclusive value indications, but it can be used to establish land value when the number of vacant land sales is inadequate.

The extraction method is a variant of the allocation method in which land value is extracted from the sale price of an improved property by deducting the contribution of the improvements, which is estimated from their depreciated costs. The remaining value represents the value of the land. Value indications derived in this way are generally unpersuasive because the assessment ratios may be unreliable and the extraction method does not reflect market considerations.

The sales comparison approach for land is utilized to develop an opinion of land value because market participants rely on this method. The other methodologies are used primarily when comparable land sales data is non-existent. Therefore, these approaches have not been used. The cost approach, sales comparison approach, and income approach for improved property are not applicable.

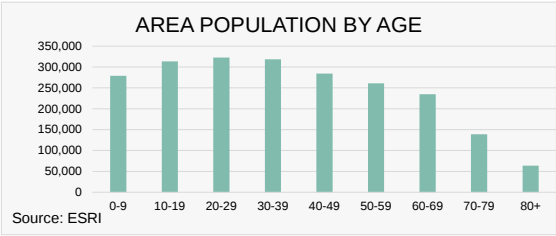
Area Analysis



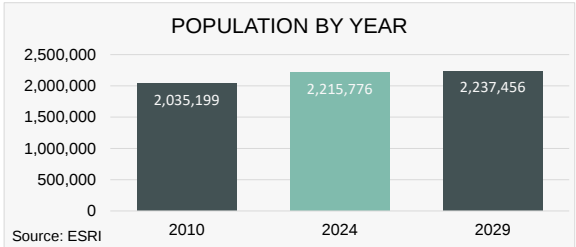
The subject is located in San Bernardino County. Key information about the area is provided in the following tables.

Population

The area has a population of 2,215,776 and a median age of 36, with the largest population group in the 20-29 age range and the smallest population in 80+ age range.



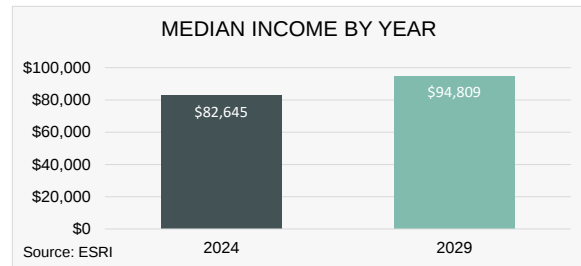
Population has increased by 180,577 since 2010, reflecting an annual increase of 0.6%. Population is projected to increase by 21,680 between 2024 and 2029, reflecting a 0.2% annual population growth.



Source: ESRI, downloaded on Aug, 28 2024

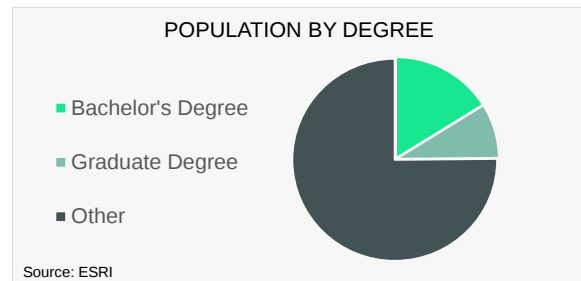
Income

The area features an average household income of \$108,426 and a median household income of \$82,645. Over the next five years, median household income is expected to increase by 14.7%, or \$2,433 per annum.

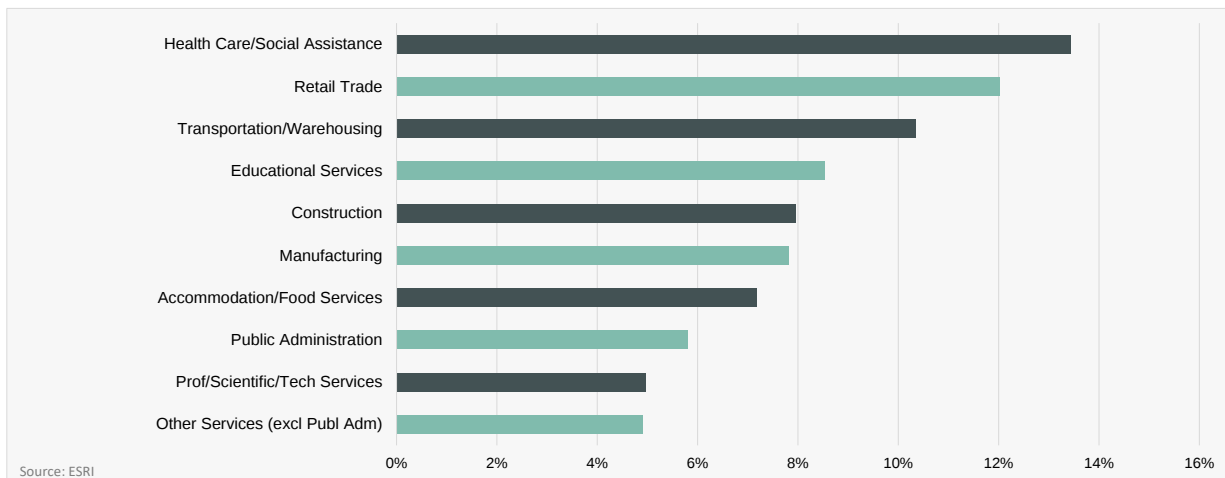


Education

A total of 24.9% of individuals over the age of 24 have a college degree, with 16.1% holding a bachelor's degree and 8.7% holding a graduate degree.



Employment

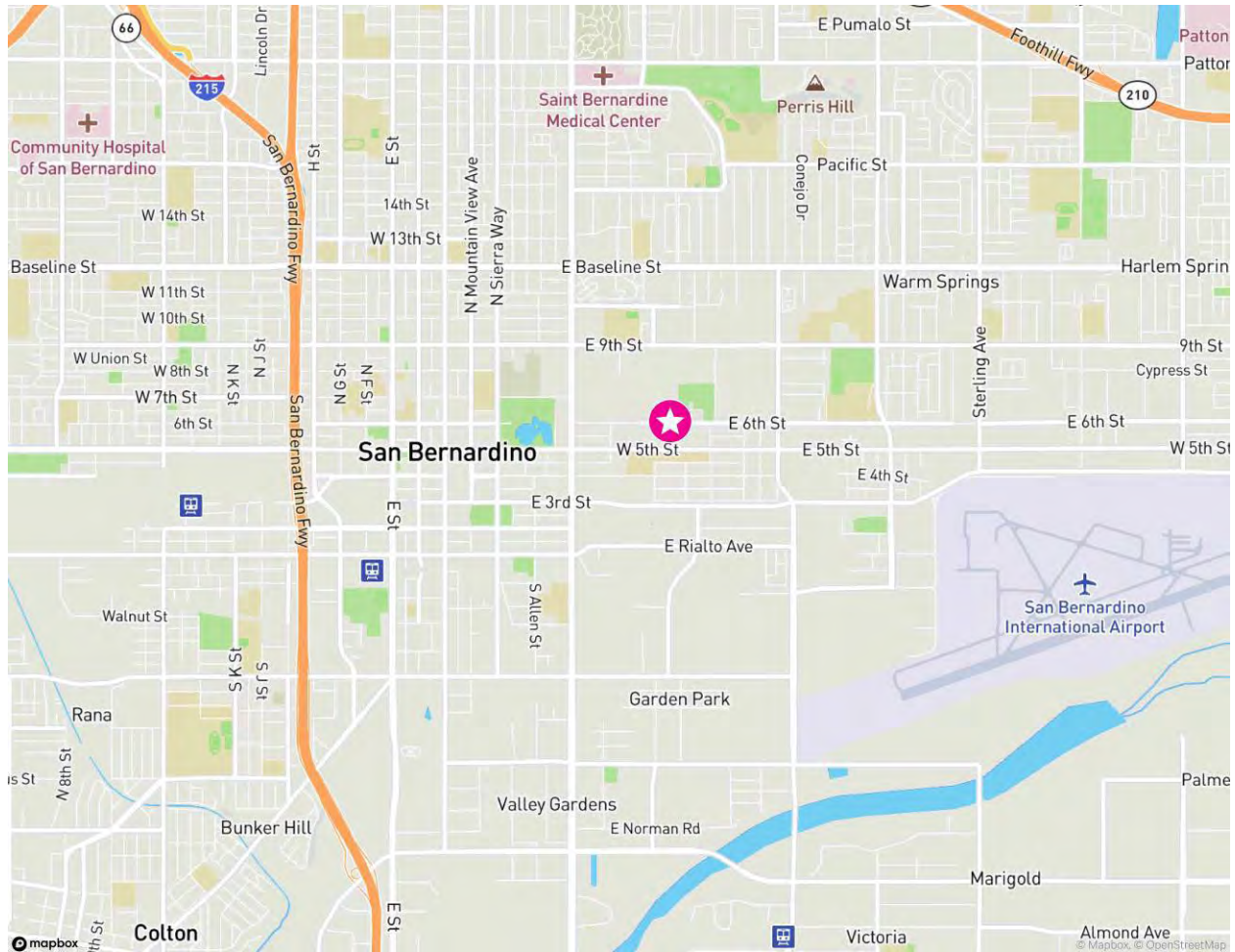


The area includes a total of 973,983 employees. The top three industries within the area are Health Care/Social Assistance, Retail Trade and Transportation/Warehousing, which represent a combined total of 36% of the workforce.

Source: ESRI, downloaded on Aug 28, 2024; BLS.gov dated Jan 0, 1900

In summary, the area is forecasted to experience an increase in population and an increase in household income.

Neighborhood Analysis



Location

The subject is located in the city of San Bernardino within San Bernardino County. Adjacent communities include Highland and Redlands to the east, Loma Linda to the south, and Rialto and Colton to the west.

Boundaries

The neighborhood boundaries are detailed as follows:

North:	Baseline Street
South:	Rialto Avenue
East:	Waterman Avenue
West:	Del Rosa Drive

Land Use

Predominant land uses in the immediate vicinity of the subject primarily consist of a mixture of industrial and residential uses. There are industrial yards to the west and north. There are also new industrial

buildings along 6th Street, to the east of Pedley Road. Residential uses include a mobile home park immediately to the north, and single and multi-family residences to the southeast. There are also public uses in the area. The City of Riverside owns land to the south and west and utilize the sites for solar uses. There is also an elementary school on 5th Street, south of the subject property.

Access

Primary highway access to the area is via Interstate 215 (I-215) and State Route 210 (SR-210). I-215 is located approximately two miles west of the subject property. There are on and off-ramps along 5th Street. SR-210 is located approximately 2.5 miles north of the subject, with on and off-ramps located on Waterman Avenue. In addition, SR-210 is also located approximately four miles east of the subject.

The major arterial streets providing access in a north and south direction are Waterman Avenue, Tippecanoe Avenue, and Del Rosa Drive. The major arterial streets providing east and west access include Baseline Street, 9th Street, 5th Street, 3rd, Street and Rialto Avenue. Overall, vehicular access is considered to be average.

Public transportation is provided by Omnitrans, which provides access to neighboring cities. The Omnitrans rapid bus system is called sbX. San Bernardino International Airport is located approximately 1.5 miles southeast of the subject property and the Ontario International Airport is approximately twenty miles southwest of the subject. Overall, the primary mode of transportation in the area is the automobile.

Demographics

Selected neighborhood demographics in 1-, 3- and 5-mile radius from the subject are shown in the following table:

SELECTED NEIGHBORHOOD DEMOGRAPHICS

North side of 6th Street, Between Cooley St and Pedley Rd San Bernardino, CA 92410	1 Mile Radius	3 Mile Radius	5 Mile Radius	San Bernardino County
Population				
2029 Total Population	18,621	143,015	331,341	2,237,456
2024 Total Population	18,275	142,680	330,276	2,215,776
2010 Total Population	18,585	136,334	310,825	2,035,199
2000 Total Population	15,309	121,948	280,940	1,709,445
<i>Annual Growth 2024 - 2029</i>	<i>0.38%</i>	<i>0.05%</i>	<i>0.06%</i>	<i>0.19%</i>
<i>Annual Growth 2010 - 2024</i>	<i>-0.12%</i>	<i>0.33%</i>	<i>0.43%</i>	<i>0.61%</i>
<i>Annual Growth 2000 - 2010</i>	<i>1.96%</i>	<i>1.12%</i>	<i>1.02%</i>	<i>1.76%</i>
Households				
2029 Total Households	5,040	40,407	99,302	702,674
2024 Total Households	4,875	39,785	97,467	685,599
2010 Total Households	4,461	36,658	89,197	611,613
2000 Total Households	4,155	35,403	86,243	528,596
<i>Annual Growth 2024 - 2029</i>	<i>0.67%</i>	<i>0.31%</i>	<i>0.37%</i>	<i>0.49%</i>
<i>Annual Growth 2010 - 2024</i>	<i>0.64%</i>	<i>0.59%</i>	<i>0.64%</i>	<i>0.82%</i>
<i>Annual Growth 2000 - 2010</i>	<i>0.71%</i>	<i>0.35%</i>	<i>0.34%</i>	<i>1.47%</i>
Income				
2024 Median Household Income	\$43,781	\$52,607	\$62,424	\$82,645
2024 Average Household Income	\$63,888	\$69,530	\$82,963	\$108,426
2024 Per Capita Income	\$17,346	\$19,440	\$24,472	\$33,638
2024 Pop 25+ College Graduates	621	7,758	33,787	362,489
Age 25+ Percent College Graduates - 2024	5.7%	9.0%	16.2%	24.9%

Source: ESRI

Conclusion

The subject property is located within an established area characterized by industrial and residential uses. The property has good access to major streets and the freeway system. Economic and demographic factors point toward a slightly increasing population and median income. In addition, there have been interest rate increases and inflation concerns. However, it appears that the Federal Reserve has stopped increasing interest rates and are considering interest rate cuts in the near future, as the inflation rate has started moving towards their 2.00% per year goal.

Site Analysis

The following chart summarizes the salient characteristics of the subject site.

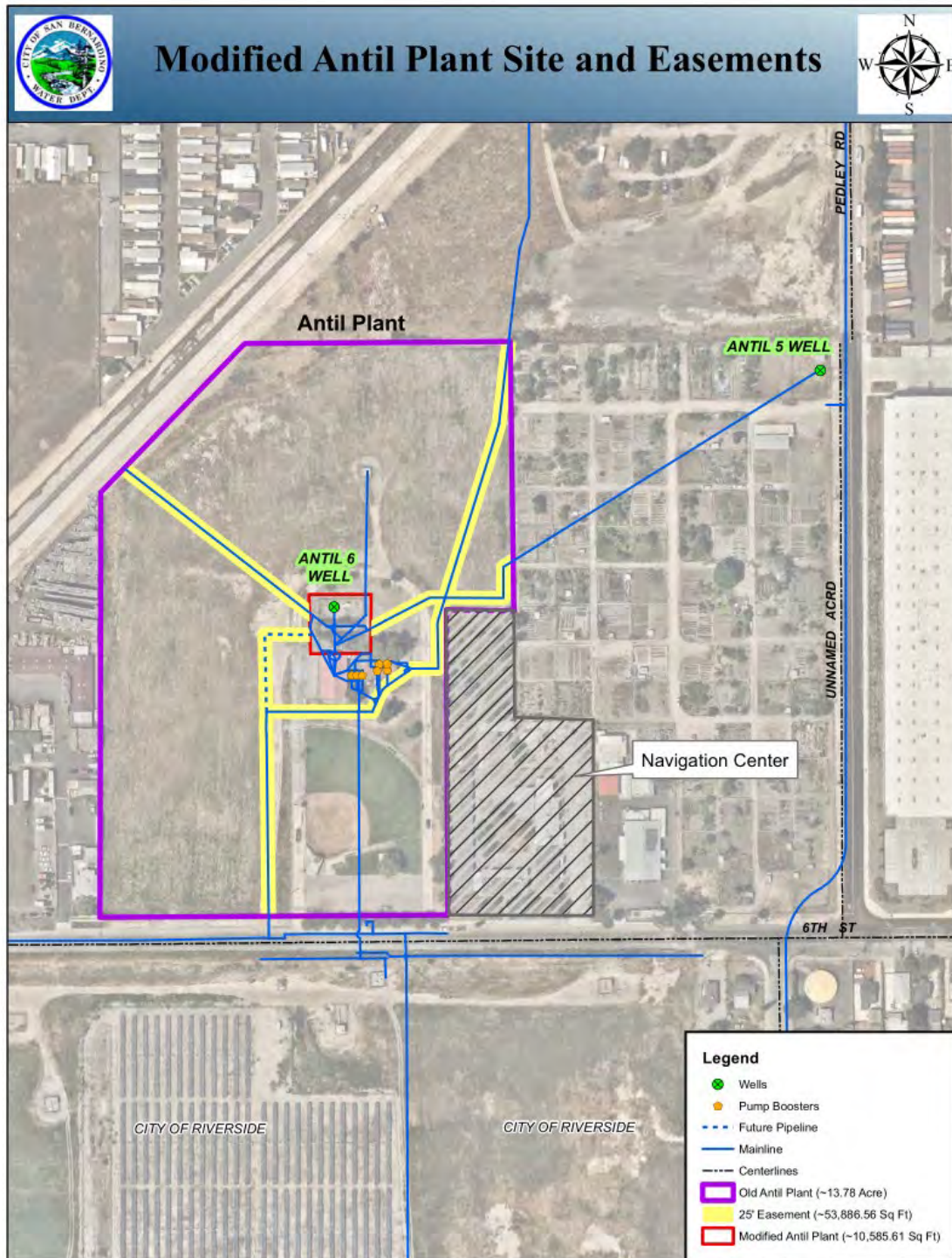
SITE SUMMARY AND ANALYSIS			
Physical Description			
Gross Site Area	13.78 Acres	600,256 Sq. Ft.	
Net Site Area	13.54 Acres	589,670 Sq. Ft.	
Primary Road Frontage	6th St	575 Feet	
Excess Land Area	None		
Surplus Land Area	None		
Shape	Irregular		
Topography	Generally Level		
Parcel Numbers	0278-181-20, 0278-191-30 (portions of)		
Actual Zoning District	Public Park and Public Facilities		
Assumed Zoning District	RM, Residential Medium		
Flood Map Panel No. & Date	06071C7571J	2-Sep-16	
Flood Zone	Zone X (Unshaded)		
Adjacent Land Uses	Industrial and residential		
Comparative Analysis		<u>Rating</u>	
Visibility		Good	
Functional Utility		Average	
Traffic Volume		Average	
Adequacy of Utilities		Average	
Landscaping		Average	
Drainage		Average	
Utilities		<u>Availability</u>	
Water		Yes	
Sewer		Yes	
Natural Gas		Yes	
Electricity		Yes	
Telephone/Cable/Internet		Yes	
Mass Transit		Yes	
Other		<u>Yes</u>	<u>No</u> <u>Unknown</u>
Detrimental Easements		X	
Encroachments			X
Deed Restrictions			X
Reciprocal Parking Rights			X
Various sources compiled by CBRE			

Location

The subject is on the north side of 6th Street, between Cooley Street and Pedley Road.

LAND AREA

The client provided the following mapping for the subject property.



The client requested that the area outlined in purple be appraised as a stand-alone parcel. The subject property consists of APN 0278-181-20 and a portion of APN 0278-191-30. Based on the client's request, this appraisal is based on the assumption that a lot split has already taken place and that the subject property consists of a legal lot.

The client provided mapping indicates that the gross land area for the subject property is 13.78 acres. Although the entire area is to be transferred, the well (the area outlined in red) will remain on the property and this area will not be developable. As a result, we have netted this area out from the gross land area. The client provided mapping indicates the well area is approximately 10,586 square feet. This results in a net land area of 13.54 acres.

The previous map also shows multiple easements for pipeline purposes. The client has asked that we assume that the easements can be relocated on the property to accommodate development. We note that the easement that connects to the adjacent flood channel to the northwest can be relocated but must remain connected to the flood channel.

SHAPE AND FRONTAGE

The site is slightly irregular in shape. It is generally L-shaped, but slightly irregular due to a flood channel on the northwestern portion of the site. However, the fact that the well site must remain, results in an irregular useable land area as the near center of the property is not useable. The site has a significant amount of frontage, with approximately 575 feet of frontage along 6th Street.

Ingress/Egress

Ingress and egress are available to the site three curb cuts along 6th Street. 6th Street is aligned in an east/west direction and has a dedicated width which varies from 82.50 to 88 feet at the subject location. It provides for one lane of traffic in each direction. The north side of the street is improved with concrete curbs. Portions of the north side of the street also include concrete sidewalks. The south side of the street has a paved shoulder, but no other street improvements. Curbside parking is not allowed on either side of the street.

TOPOGRAPHY AND DRAINAGE

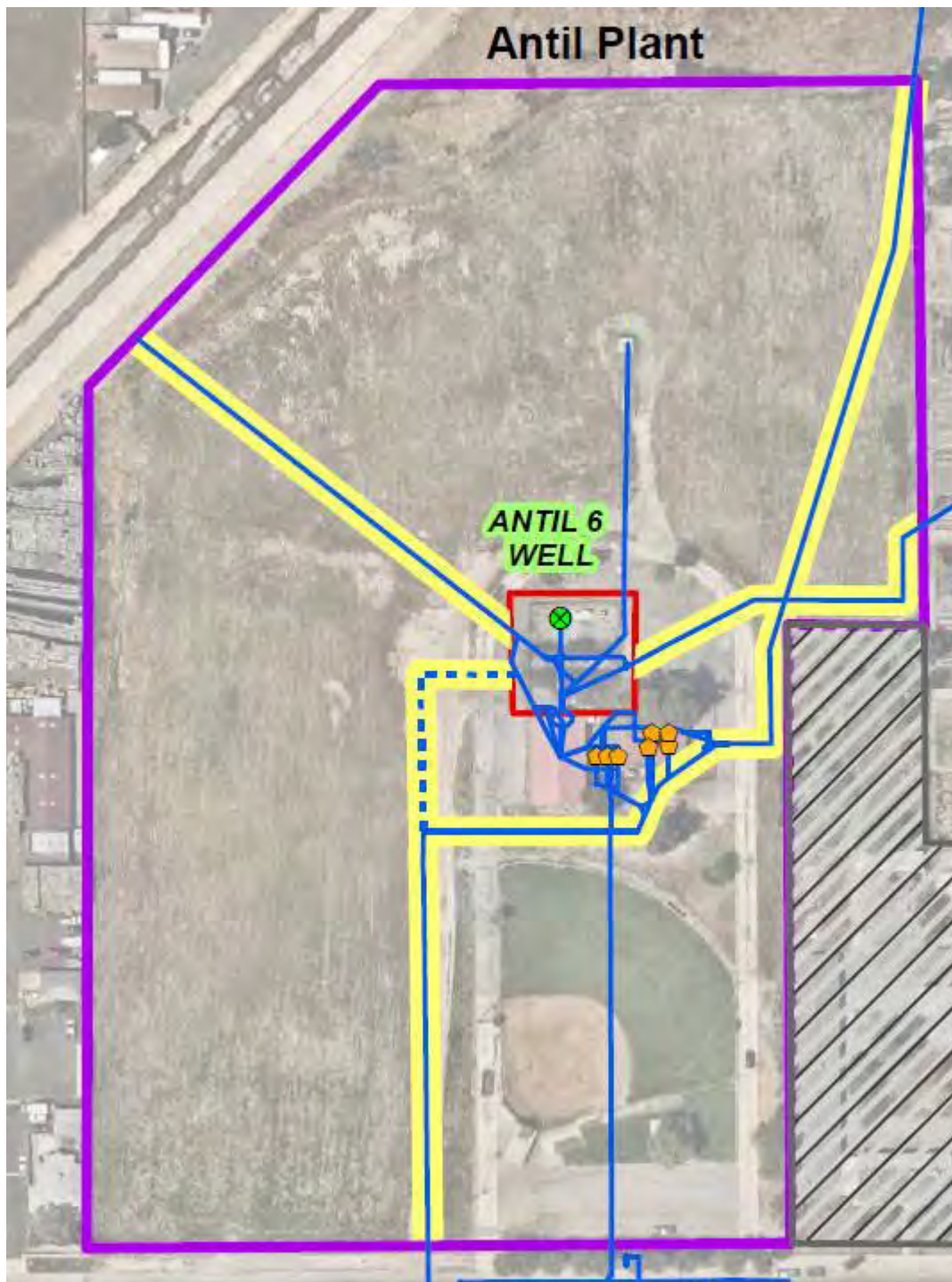
The site is generally level and at street grade. The topography of the site is not seen as an impediment to the development of the property. During our inspection of the site, we observed no drainage problems and assume that none exist.

SOILS

A soils analysis for the site has not been provided for the preparation of this appraisal. In the absence of a soils report, it is a specific assumption that the site has adequate soils to support the highest and best use.

Easements and Encroachments

We were not provided with a title report for the subject property. However, we were provided with the map shown in the Land Area section of this report. The following is a portion of the map.



The areas shown in yellow are easements for pipelines. The client has asked that we assume the easements can be relocated to accommodate development. We note that the easement that is aligned in northwest/southeast direction and ends at the flood channel to the northwest can be relocated but must connect to the flood channel. Because of the client's instruction to assume that the easements can be relocated to accommodate development, these easements are not considered to affect the marketability or highest and best use of the subject property. However, the client has indicated that the well site will remain on the property and will not be developable land. We have therefore netted this area out from the gross land area. The well area essentially cuts a hole near the center of the property. Therefore, in our

valuation of the subject property, we have considered that net land area has a highly irregular shape due to the well easement.

It is recommended that the client/reader obtain a current title policy outlining all easements and encroachments on the property, if any, prior to making a business decision.

Covenants, Conditions and Restrictions

There are no other known covenants, conditions or restrictions impacting the site that are considered to affect the marketability or highest and best use. It is recommended that the client/reader obtain a copy of the current covenants, conditions and restrictions, if any, prior to making a business decision.

UTILITIES AND SERVICES

The site includes all utility and municipal services, including police, fire and refuse garbage collection. All utilities are available to the site in adequate quality and quantity to service the highest and best use.

Environmental Issues

Although CBRE was not provided an Environmental Site Assessment (ESA), a tour of the site did not reveal any obvious issues regarding environmental contamination or adverse conditions. The appraiser is not qualified to detect the existence of potentially hazardous material or underground storage tanks which may be present on or near the site. The existence of hazardous materials or underground storage tanks may affect the value of the property. For this appraisal, CBRE, Inc. has specifically assumed that the property is not affected by any hazardous materials that may be present on or near the property.

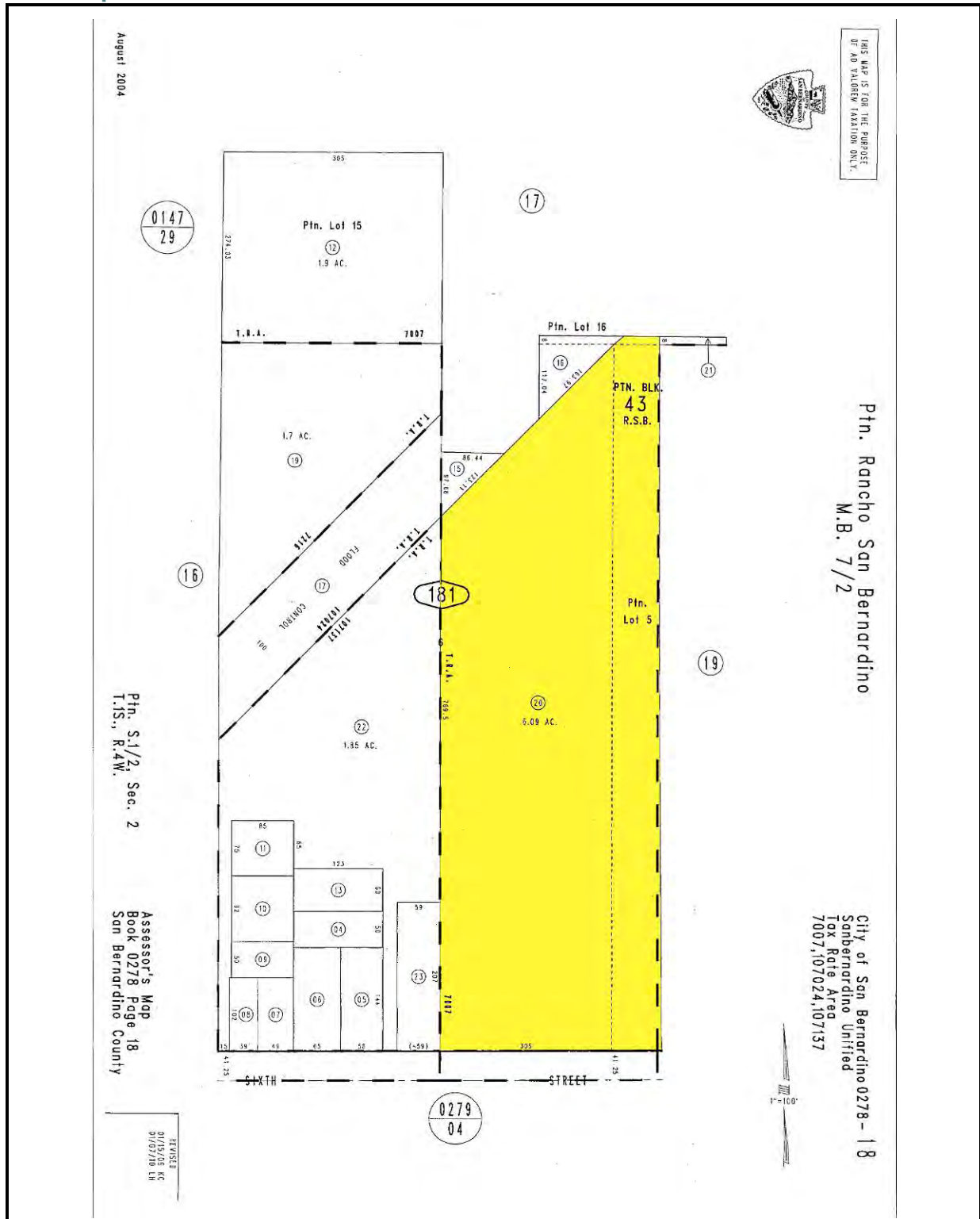
Conclusion

The site is well located and afforded average access and good visibility from its roadway frontage. The size of the property is larger than typical sites in the area. There are no known detrimental uses in the immediate vicinity. Overall, there are no known factors which are considered to prevent the site from development to its highest and best use, as if vacant, or adverse to the existing use of the site. The property is large enough to support a significant development. However, we note that the well area is near the center of the property and the useable land area is highly irregular in shape because this area is not useable. Any development would need to be constructed around the well area.

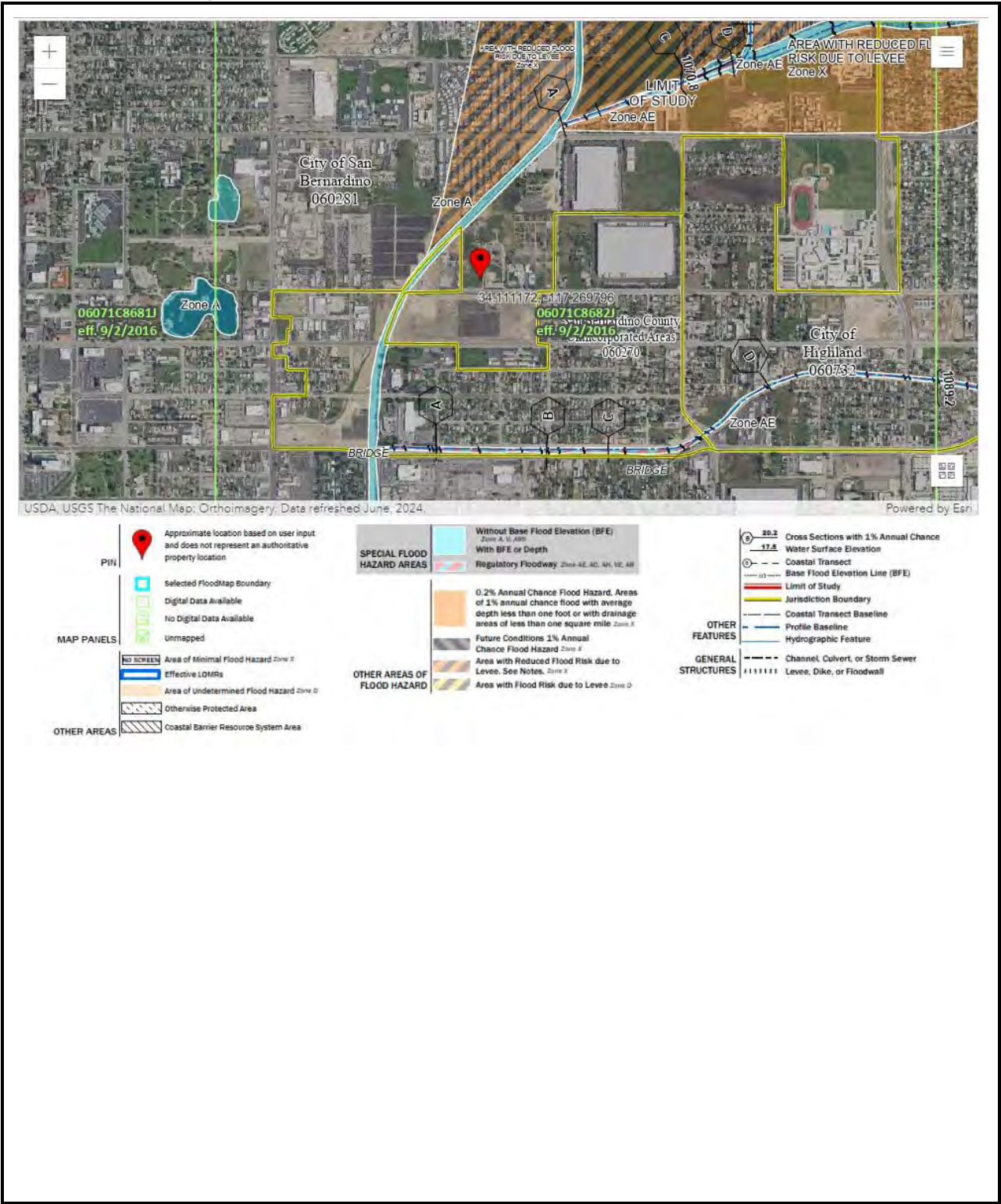
Improvements Analysis

The subject property includes two buildings, south of the well site as well as pump boosters and several pipelines. The property also includes site improvements including a baseball field. We have been instructed to assume these improvements have been removed and will not impact the development of the site to its highest and best use. Therefore, an improvement analysis is not applicable.

Plat Map – APN 0278-181-20

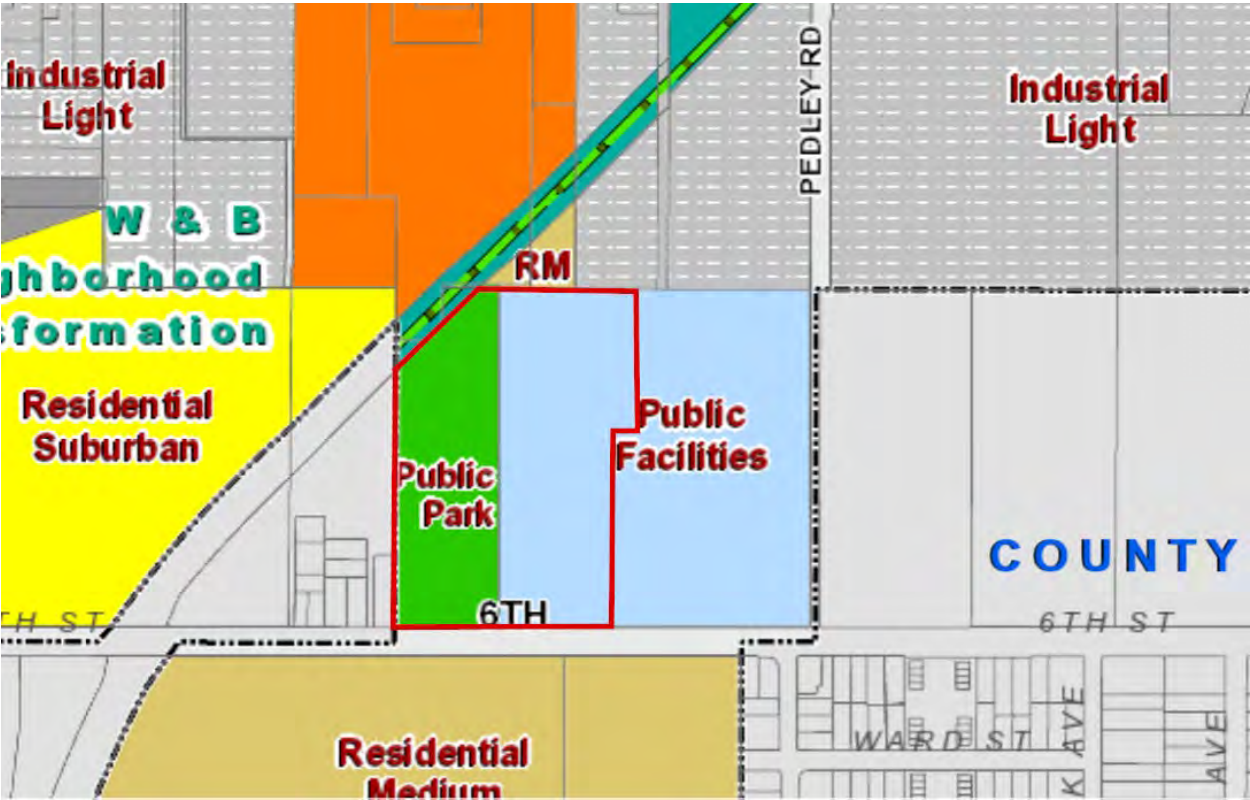


Flood Plain Map



Zoning

The following map shows the subject's actual zoning.



As shown, the subject property is zoned Public Park and Public Facilities. These zoning designations are special purpose zones that are only for public facilities like the subject property. If the subject were sold in the private sector, it would not have these zoning designations. The surroundings include a mixture of residential and industrial zoning designations. In addition, portions of the surroundings are within unincorporated San Bernardino County and also include industrial and residential zoning designations.

Travis Martin, Principal Planner, with the City of San Bernardino, indicated that the most likely zoning designation for the subject property (if it were to sell in the open market) would be Residential Medium, which is the zoning designation immediately to both the north and south of the subject property. We have therefore appraised the subject land as if it were zoned RM, Residential Medium, which allows residential uses up to a density of twelve units per acre. The following table summarizes the zoning requirements for the RM zone designation.

ZONING SUMMARY	
Current Zoning	RM, Residential Medium
Legally Conforming	Yes
Uses Permitted	Community care facilities, existing multifamily dwellings, and accessory dwelling units. Multifamily dwellings, condominium, townhouses and mobile home parks are allowed with a development permit.
Zoning Change	Not likely
Category	Zoning Requirement
Minimum Lot Size	14,400 Sq. Ft.
Minimum Lot Width	60 Feet
Maximum Height	3 stories and 42 feet
Minimum Setbacks	
Front Yard	25 Feet
Interior Side Yard	5 feet plus 1 foot for each 15 feet of wall length
Rear Yard	10 Feet
Maximum Bldg. Coverage	50%
Maximum FAR/Density	12 units per acre
Parking Requirements	Apartments: 1 space for every studio, 1.5 covered spaces for 1 bedroom units, 2 covered spaces for every 2 bedroom unit, and 2.5 spaces for every 3-bedroom or more unit, plus an additional uncovered guest space for every 5 units; 2 garage spaces for every single-family residence, condominium or townhouse.
Source: San Bernardino County Planning and Zoning Dept.	

Analysis and Conclusion

The subject property has an assumed zoning designation of RM, which allows 12 units per acre. Because the definition of market value assumes a sale of the subject on our date of value, it is important to ascertain the most likely zoning for the subject if it were to sell. The subject size is large enough to support development of a residential project. Our sale comparable show that at this density, developers primarily opt to construct townhouses. The subject property has a net site area of 13.54 acres, which results in a maximum of 162 units. Based on the densities of our comparable sales, this density appears to be achievable on the subject property. As noted, the existing well will remain. However, a residential development of a similar size to what is achievable on the subject property, typically contains multiple buildings, and amenities such as a pool, clubhouse, or outdoor play areas. In our opinion, a residential development could be accommodated on the subject property with the well in place. In addition, we have been asked to assume that the existing easements can be relocated to accommodate development.

Additional information may be obtained from the appropriate governmental authority. For purposes of this appraisal, CBRE has assumed the information obtained is correct.

Tax and Assessment Data

Real estate tax assessments are administered by the Assessor of San Bernardino County and are estimated by jurisdiction on a county basis for the subject. The property is subject to the property tax rules of the State of California, which control the activities and policies of local assessment jurisdictions. These laws were significantly modified on June 7, 1978, when the State's voters passed Proposition 13, amending Article XIII of the State Constitution.

Proposition 13 abolished the practice of periodic reassessment of properties based on market value appraisals. Instead, real property is subject to reassessment (i.e., revaluation at full or partial current market value) only when changes in ownership or new construction take place. Otherwise, increases in assessed value are limited to a general rate of 2%, plus the rates needed to service any bonded indebtedness. Special assessments can also be added, and are often related to the installation of infrastructure. Generally speaking, property taxes in San Bernardino County tend to range from 1.1% to 1.4% of a property's assessed value. Due to California's tax laws, most properties within Los Angeles County have very similar effective tax rates.

The subject is owned by the City of San Bernardino Water Works and the City of San Bernardino and therefore is not subject to real estate taxes. It is located in Tax Rate Areas 7007 and 7232 which carry a 2023/2024 tax rate of 1.2628%. Real estate taxes would be adjusted upon sale of the subject property.

Market Analysis

Based on the information provided by Travis Martin, the Principal Planner with the City of San Bernardino and the surrounding zoning, we have assumed the subject has a Residential Medium zoning designation, which allows multifamily developments, mobile home parks, townhouses, and condominiums. As such, we have included an overview of the apartment market in the subject area. The following data is for the improved multifamily market. This is included as the multifamily land market generally follows similar trends to the improved multifamily market. The subject is in the San Bernardino submarket of the Inland Empire market.

Submarket Snapshot

The following table summarizes the supply of apartment units for each submarket within the Inland Empire - CA USA market as of 2nd Quarter 2024.

SUBMARKET SNAPSHOT				
Submarket	Inventory (Units)	Completions* (Units)	Asking Rent (\$/Unit / Mo.)	Occupancy
Cucamonga	41,937	1,551	\$2,443	92.7%
Outlying Riverside County	1,085	0	\$1,018	92.1%
Outlying San Bernardino County	13,317	12	\$1,384	92.6%
Palm Springs	14,768	138	\$1,710	95.0%
Riverside/Corona	40,649	56	\$2,095	94.4%
San Bernardino	41,760	799	\$1,786	94.7%
San Jacinto	9,229	107	\$1,819	94.3%
County/Temecula	12,940	663	\$2,376	90.9%
*Completions include trailing 4 quarters				
Source: Costar, 2nd Quarter 2024				

San Bernardino Submarket

Important characteristics of the San Bernardino apartment market are summarized below:

SAN BERNARDINO APARTMENT SUBMARKET							
Year Ending	Inventory (Units)	Completions (Units)	Occupied Stock (Units)	Occupancy	Asking Rent (\$/Unit / Mo.)	Asking Rent Change	Net Absorption (Units)
2014	38,988	0	37,164	95.3%	\$1,024	3.28%	201
2015	39,294	306	37,758	96.1%	\$1,103	7.75%	594
2016	39,293	-1	37,833	96.3%	\$1,171	6.14%	75
2017	39,336	43	37,823	96.2%	\$1,243	6.11%	-10
2018	39,488	152	37,883	95.9%	\$1,307	5.17%	60
2019	40,150	662	37,964	94.6%	\$1,381	5.67%	80
2020	40,150	0	39,227	97.7%	\$1,478	6.99%	1,264
2021	40,470	320	39,520	97.7%	\$1,638	10.84%	293
2022	40,575	105	39,188	96.6%	\$1,728	5.50%	-333
Q1 2023	40,609	34	39,025	96.1%	\$1,746	1.06%	-163
Q2 2023	40,961	352	38,967	95.1%	\$1,759	0.72%	-58
Q3 2023	41,218	257	38,863	94.3%	\$1,745	-0.78%	-104
Q4 2023	41,346	128	38,974	94.3%	\$1,739	-0.36%	111
2023	41,346	771	38,974	94.3%	\$1,739	0.63%	-214
Q1 2024	41,554	208	39,188	94.3%	\$1,759	1.14%	214
Q2 2024	41,760	206	39,536	94.7%	\$1,786	1.54%	348
Q3 2024*	41,761	1	39,679	95.0%	\$1,784	-0.11%	142
Q4 2024*	42,181	420	39,849	94.5%	\$1,793	0.50%	170
2024*	42,181	835	39,849	94.5%	\$1,793	3.09%	874
2025*	42,820	639	40,591	94.8%	\$1,888	5.31%	743
2026*	42,947	127	40,990	95.4%	\$1,981	4.91%	399
2027*	43,197	250	41,325	95.7%	\$2,059	3.98%	336
2028*	43,569	372	41,732	95.8%	\$2,133	3.57%	406
2029*	43,972	403	42,119	95.8%	\$2,194	2.87%	386

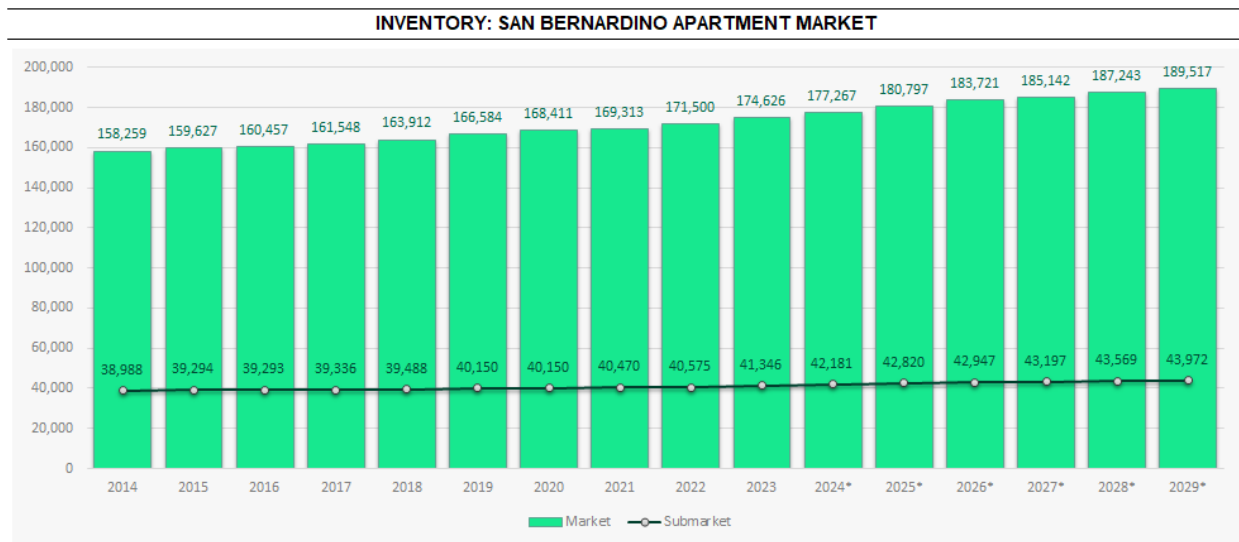
*Future Projected Data according to Costar

Source: Costar, 2nd Quarter 2024

The San Bernardino apartment submarket consists of approximately 41,760 units of apartment space. The current submarket inventory represents approximately 23.8% of the overall market inventory. The following observations were noted from the table above:

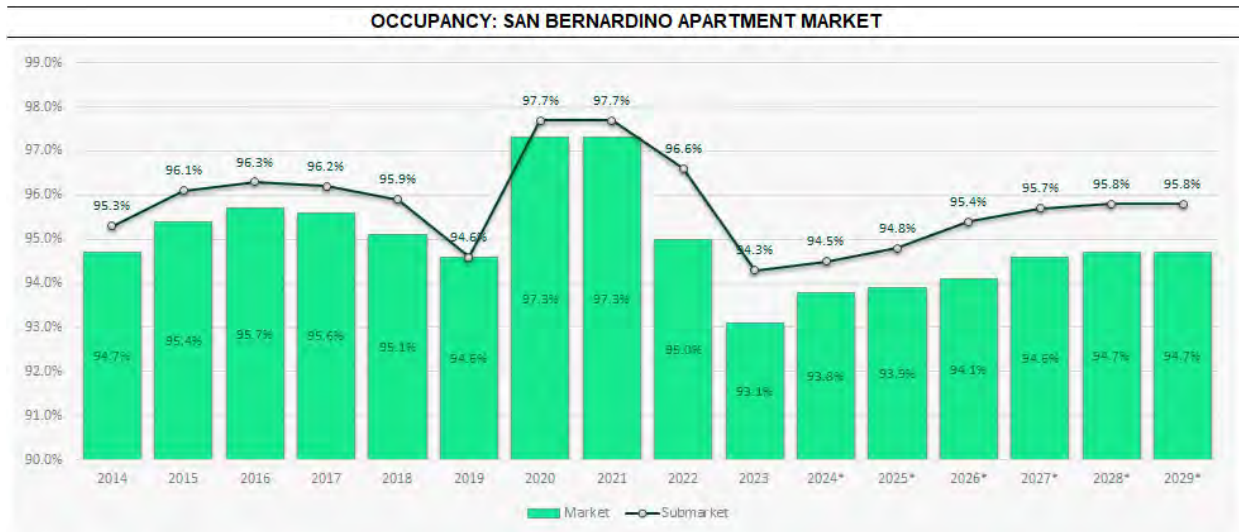
- As of 2nd Quarter 2024, there were approximately 39,536 units of occupied apartment space, resulting in an occupancy rate of 94.7% for the submarket. This reflects an increase from the previous quarter's occupancy of 94.3%, and a small increase from an occupancy rate of 94.3% from last year. The submarket occupancy is above the 93.7% market occupancy.
- The submarket experienced positive 348 units of net absorption for the 2nd quarter 2024. This indicates an improvement from the previous quarter's positive 214 units of net absorption, and an improvement from the negative 214 units of net absorption from a year ago. Overall, the submarket has experienced positive 562 units of net absorption for the current year-to-date period.
- The submarket had completions of positive 206 units for the 2nd quarter 2024, which indicates a decrease from the previous quarter's completions of positive 208 units, and a decrease from the completions of positive 352 units from last year.
- The submarket achieved average asking rent of \$1,786 per unit, which indicates an increase from the previous quarter's asking rent of \$1,759 per unit, and an increase from the asking rent of \$1,739 per unit from last year. The submarket's current asking rent of \$1,786 per unit is below the overall market asking rent of \$2,046 per unit.

Historical Inventory - Submarket



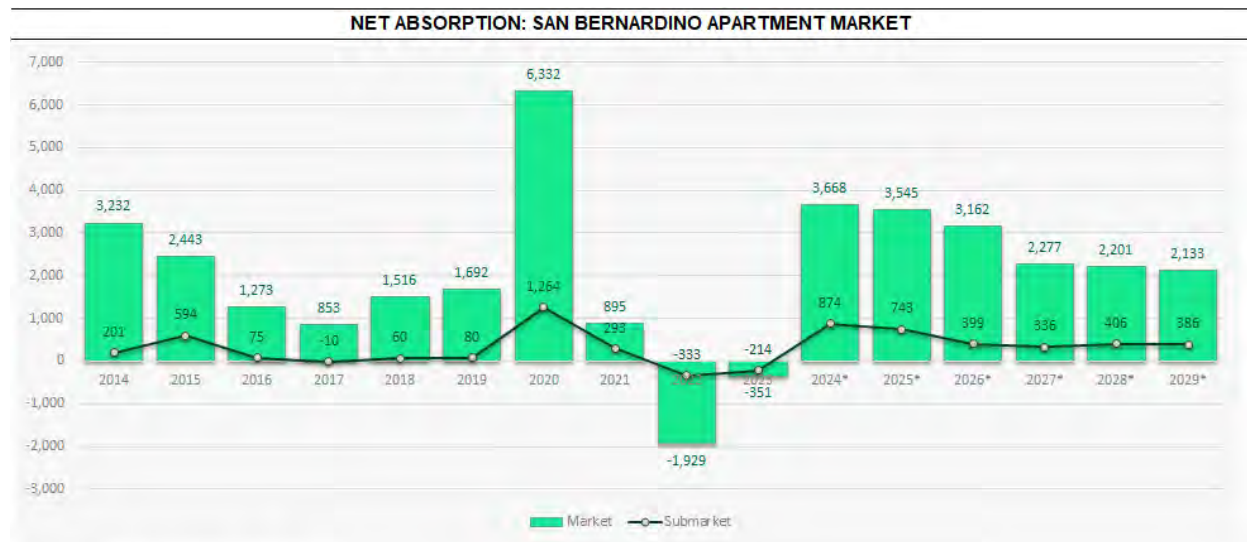
Submarket Inventory is projected to be 42,181 units at the end of the current year, which represents a small increase from the previous year's submarket inventory of 41,346 units. Inventory for next year is projected to be 42,820 units, reflecting a small increase from the current year.

Historical Occupancy - Submarket



Submarket occupancy is projected to be 94.5% at the end of the current year, which represents a small increase from the previous year's submarket occupancy of 94.3%. Submarket occupancy for next year is projected to be 94.8%, reflecting an increase from the current year.

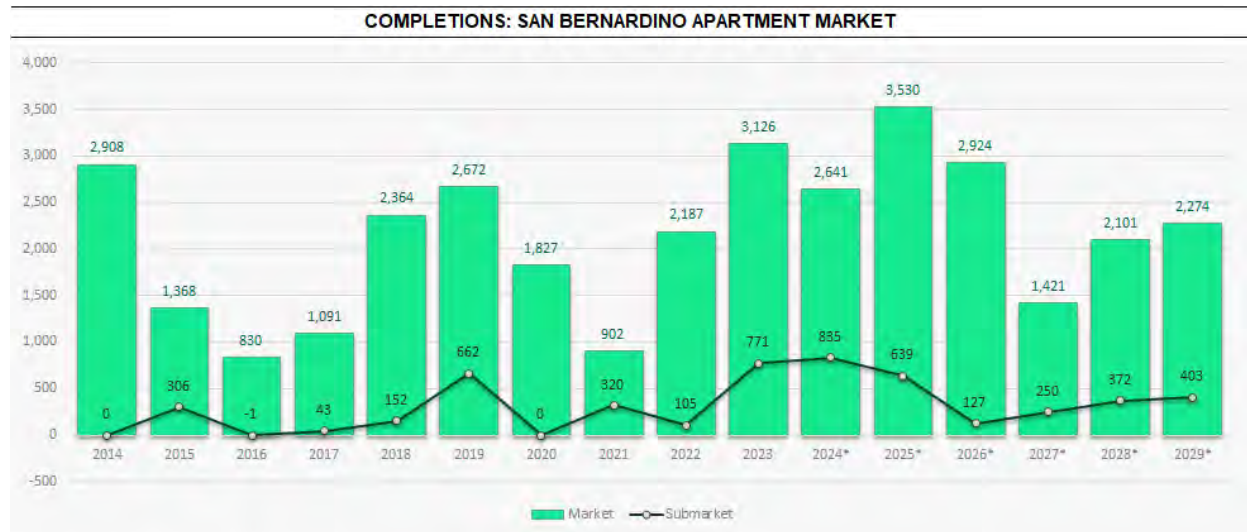
Historical Net Absorption - Submarket



Source: Costar, 2nd Quarter 2024

Net absorption in the submarket is projected to be positive 874 units at the end of the current year, reflecting an improvement from the previous year's net absorption of negative 214 units. Net absorption for next year is projected to be positive 743 units, indicating a decline from the current year.

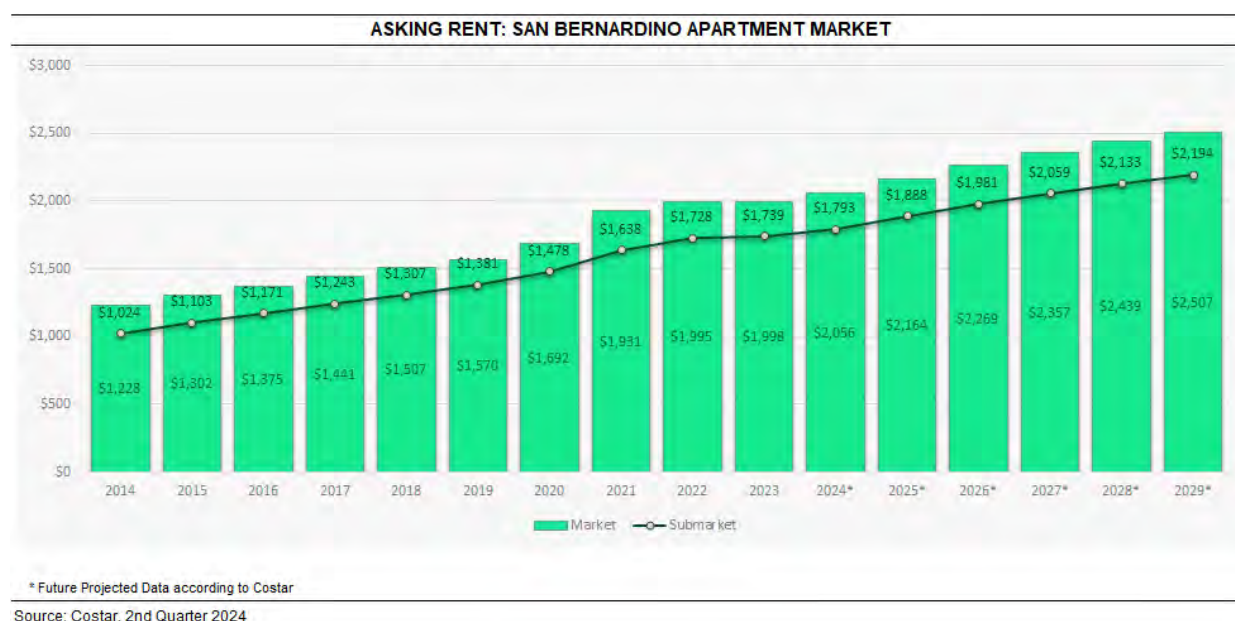
Historical Completions - Submarket



Source: Costar, 2nd Quarter 2024

The submarket is projected to achieve completions of positive 835 units at the end of the current year, which indicates an improvement from the previous year's completions of positive 771 units. The submarket is projecting completions of positive 639 units for next year, which indicates a decline from the current year.

Historical Asking Rent - Submarket



The submarket is projected to achieve average asking of \$1,793 per unit at the end of the current year, which represents an increase from the previous year's asking rent of \$1,739 per unit. The submarket is projected to achieve average asking rent of \$1,888 per unit, reflecting an increase from the current year.

Sale Trends

We searched CoStar for apartment building sales and for land sales within a 25-mile radius of the subject property. We compared the median price per square foot over the various years. The following table shows CoStar's data.

SALE TRENDS - IMPROVED MULTIFAMILY SALES				
Year	# of Sales	Median Price PSF	% Change	Average Cap Rate
2021	164	\$238.21		4.60%
2022	122	\$262.26	10.10%	4.61%
2023	56	\$279.42	6.54%	4.76%
8/30/2024	43	\$249.74	-10.62%	5.17%

Year	# of Sales	Median Price Per Unit	% Change	Average Cap Rate
2021	164	\$192,500		4.60%
2022	122	\$212,333	10.30%	4.61%
2023	56	\$233,333	9.89%	4.76%
8/30/2024	43	\$200,000	-14.29%	5.17%

Compiled by CBRE

We analyzed the data on both a price per square foot and price per unit basis, with both showing similar trends. The price per square foot and price per unit data both show an approximately 10% increase in price levels between 2021 and 2022. The data varies slightly in 2023, but shows a small range of an approximately 6.5% to 10 percent increase. Finally, both show a decline in price levels in 2024, ranging

from approximately 10% to 14%. The above data also shows capitalization rates increasing slightly in 2023, with a larger increase of approximately 40 basis points in 2024. The increase in capitalization rates have put downward pressure on improved price levels.

Single-Family Market Analysis

In addition to multifamily residences, the assumed subject zoning allows townhouses and single-family residences. Because of the allowed density, the majority of our sale comparables are being developed with townhouses.

Townhouse Sale Trends

The health of the housing industry and demand are generally tied to the health of the economy. While the COVID-19 pandemic caused a great deal of uncertainty in the economy, housing was not adversely impacted the way other sectors of the economy were impacted. The fact that work-from-home has become an accepted reality has somewhat lessened the impact of location as being the most important factor in home purchases. Pricing of single-family residences continued to increase throughout the pandemic. Inventory has been low over the past few years. Interest rates were historically low at the end of the 2021 year. However, the Federal Reserve increased rates in 2022 and 2023 in an effort to combat inflation.

The following information was compiled by utilizing the Multiple Listing Service (MLS). The following table shows trends in townhouse sale prices within the same twenty five-mile radius utilized within the multifamily sale trends.

SALE TRENDS - TOWNHOUSE SALES			
Year	# of Sales	Median Price PSF	% Change
2021	553	\$306	
2022	382	\$361	17.97%
2023	314	\$372	3.05%
8/30/2024	227	\$385	3.49%

Year	# of Sales	Median Price	% Change
2021	553	\$439,500	
2022	382	\$511,950	16.48%
2023	314	\$525,000	2.55%
8/30/2024	227	\$550,000	4.76%

Source: MLS, Compiled by CBRE			
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We analyzed townhouse sale prices on both a price per square foot and overall price basis. The above data shows prices increased significantly between 2011 and 2022. However, as interest rates were increased, sale price movement slowed to approximately 2.5% to 3% between 2023 and 2024. Similar price appreciation has occurred in 2024. Based on our sale comparables, there is on-going construction of townhouses, as prices have continued to rise.

Construction Costs

The preceding data relates to the improved multifamily and townhouse market. To gain an understanding of the residential land market we researched construction costs trends. Construction costs impact land value if their growth rate is substantially different than growth rates for improved properties.

The following table shows the California Construction Cost Index (CCCI) as reported by the State of California Department of General Services (DGS). The data includes costs for properties within the cities of San Francisco and Los Angeles only. However, the general trend shown is generally reflective of construction costs within the subject market area.

CALIFORNIA CONSTRUCTION COST INDEX				
	2021	2022	2023	2024
August	8,122	8,729	9,560	9,749
% Change From Prior Year		7.47%	9.52%	1.98%
Source: California Department of General Services				

As shown on the preceding data, construction costs have increased significantly between August 2021 and August 2023. The rate of increase in construction costs was similar to the rate of increase in multifamily price levels. As a result, land prices would be expected to be relatively stable during this period. Construction costs increased approximately two percent over the last year, while improved multifamily prices declined.

Conclusion

The multifamily rental market has shown increasing rental rates over the last several years. Occupancy decreased in 2023 as there was a significant amount of new construction. Occupancy has improved in 2024 and CoStar forecasts the occupancy rate to stabilize in 2025. However, the market for multifamily sales has shown a decline in price levels over the last year, as increased interest rates and increasing capitalization rates have both put downward pressure on sale prices. Price levels for townhouses in the market have continued to increase in the last two years, but at significantly lower levels than prior years. Brokers reported that land prices have declined in 2024, which is consistent with the trend in improved multifamily price levels and rising construction costs. Overall, we expect the single-family/townhouse market to continue to improve slightly, while the market for multifamily and residential land continues to decline slightly.

Highest and Best Use

In appraisal practice, the concept of highest and best use represents the premise upon which value is based. The four criteria the highest and best use must meet are:

- legally permissible;
- physically possible;
- financially feasible; and
- maximally productive.

The highest and best use analysis of the subject is discussed below.

As Vacant

Legal Permissibility

The legally permissible uses were discussed in the Site Analysis and Zoning Sections.

Physical Possibility

The subject is adequately served by utilities, and has an adequate shape and size, sufficient access, and other necessary attributes, to be a separately developable site. There are no known physical reasons why the subject site would not support any legally probable development (i.e. it appears adequate for development). Existing structures on similar sites provides additional evidence for the physical possibility of development.

Financial Feasibility

Potential uses of the site include multifamily development, mobile home parks, townhouses, condominiums, and single-family uses. The determination of financial feasibility is dependent primarily on the relationship of supply and demand for the legally probable land uses versus the cost to create the uses. With respect to the legal uses for the subject site, the local multifamily market has shown increasing rental rates and occupancy over the past several years. Development of new multifamily, townhouses, and single-family residence properties has occurred in the recent past and continues to this day. As indicated in the market analysis section of this report, 771 new multifamily units were constructed in 2023 and an additional 835 units are projected to be completed this year. CoStar projects construction to continue into 2025, as they project an additional 639 units to be completed in 2025. There has also been townhouse and multifamily development in the subject market. However, we note that improved multifamily sale prices have declined in 2024.

Our sale comparables include sites which were purchased for single-family development, for sale townhouses, for lease townhouses, and mobile home parks. As shown in the Market Analysis, price levels for single-family uses such as townhouses have continued to increase. Based on the market evidence, development of the subject property with a residential project is financially feasible. The subject property has a maximum density of 12 units per acre. Based on our sale comparables and broker interviews, given this density, developers would construct either a for sale or for lease townhouse project.

Maximum Productivity - Conclusion

The final test of highest and best use of the site as if vacant is that the use be maximally productive, yielding the highest return to the land.

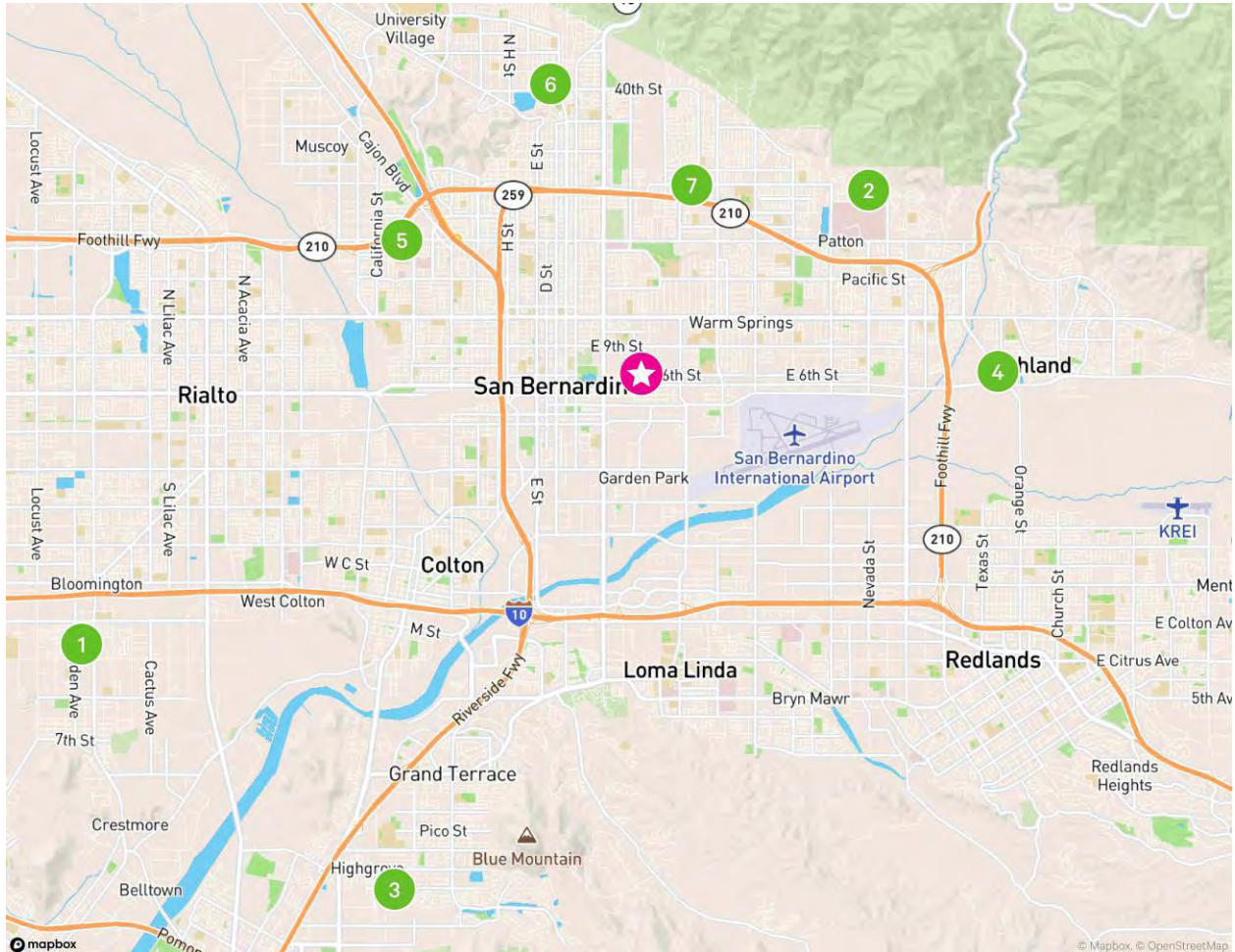
Based on the information presented above and upon information contained in the market and neighborhood analysis, we conclude that the highest and best use of the subject as if vacant would be the development of a townhouse project. More specifically, the subject would be developed at a density of 12 units per acre, which is typical of similar projects in this market. Our analysis of the subject and its respective market characteristics indicate the most likely buyer, as if vacant, would be a developer.

As Improved

We have been asked to assume that the existing improvements have been removed, with the exception of the well site which has been netted out of our useable site area. Therefore, a highest and best use analysis as improved is not applicable.

Land Value

The following map and table summarize the comparable data used in the valuation of the subject site. A detailed description of each transaction is included in the addenda.



Land Value

SUMMARY OF COMPARABLE LAND SALES										
No.	Property Location	Transaction Type	Transaction Date	Interest Transferred	Proposed Use	Zoning Proposed Density	Actual Sale Price	Size (Acres)	Size (SF)	Price Per SF
1	Linden Avenue 10719 Linden Avenue Bloomington, CA 92316	Sale	Jan-24	Fee Simple/Freehold	181-unit townhouse development	RS-20M/RM 14.37	\$1,750,000	11.25	490,050	\$3.57
2	Piedmont Park Estates Piedmont Drive San Bernardino, CA 92346	Sale	Dec-23	Fee Simple/Freehold	51-unit mobile home park	RM 7.51	\$2,800,000	6.79	295,772	\$9.47
3	Residential Land 19485 Spring Street Riverside (unincorporated Riverside County), CA 92507	Sale	Jul-23	Fee Simple/Freehold	357 unit development	MU 13.15	\$5,996,500	27.15	1,182,654	\$5.07
4	Greenspot Village St - PA 3 7820-7822 Boulder Avenue Highland, CA 92346	Sale	Dec-22	Fee Simple/Freehold	272 For Lease Townhouses	PD 21.71	\$6,000,000	12.53	545,807	\$10.99
5	95 SFR lot development 1795 W Highland Ave San Bernardino, CA 92411	Sale	Dec-22	Fee Simple/Freehold	95 SFR development	CG-1 9.41	\$2,925,000	10.10	439,956	\$6.65
6	4009-4015 Newmark Ave 4009-4015 Newmark Ave San Bernardino, CA 92407	Sale	May-22	Fee Simple/Freehold	MFR Development	RM 20.0	\$365,000	1.51	65,971	\$5.53
7	South side of Lynwood Dr. Between Golden Ave & Mountain Ave South side of Lynwood Dr. Between Golden Ave & Mountain Ave	Sale	Jan-22	Fee Simple/Freehold	Multifamily development	RH 35.0	\$225,000	1.14	49,658	\$4.53
Subject	North side of 6th Street, Between Cooley St and Pedley Rd San Bernardino, CA 92410	---	---		Residential development	RM 12.0	---	13.54	589,670	---
¹ Adjusted sale price for cash equivalency and/or development costs (where applicable) Compiled by CBRE										

The sales utilized represent the best data available for comparison with the subject and were selected from the greater San Bernardino area within a 15-mile radius of the subject. We searched for sales which were at least five acres in size. However, we also included two local sales which were over an acre in size. We searched for sales which occurred from January 2022 to the present. Finally, we searched for sales which has similar allowed densities to the subject property.

Market Conditions

We have utilized qualitative adjustments for all the elements of comparison except for market conditions. As shown in the market analysis section, improved multifamily buildings prices increased approximately 10% per year in both 2022 and 2023. However, price levels have declined in 2024 at a similar annual rate. We have utilized a market conditions adjustment of 10% per year through the end of 2023 and a negative 10% per year adjustment for 2024.

The indicated adjustments will be used in the following discussions.

Discussion/Analysis of Land Sales

Land Sale One

This is the sale of an 11.25 acre site located on the east side of Linden Avenue within the unincorporated community of Bloomington. The site has a narrow access point from Linden Avenue. However, the buyer also purchased an adjacent parcel to the east that was owned by the San Bernardino Flood Control District in a separate transaction, which provides additional access from Santa Ana Avenue. The listing broker, Todd Launchbaugh with Lee & Associates, indicated the property was in escrow for approximately 18 months. During this time, the buyer obtained approvals for a zone change from RS-20M, which allows a minimum lot size of 20,000 square feet or 2.18 units per acre, to RM. We have adjusted this comparable for market conditions from July 2022 to the present to account for market conditions at the time the price was negotiated. The buyer also obtained approvals for a 181-unit townhouse development. According to the San Bernardino County's Planning Commission's Staff Report, the total project size is 12.6 acres. This results in a density of 14.37 units per acre. We have estimated a total of 162 units as the pro-rata share for this sale property. The listing broker indicated the sale closed once the buyer obtained approvals for their proposed project. The surroundings are primarily single-family residences.

When compared to the subject, the lack of any significant frontage and access were significantly inferior. The property was zoned RS-20M when the property was listed, which only allows 2.18 units per acre. Although the resulting density was similar, the buyer had to apply for a zoning change. We have considered the zoning to be significantly inferior due to the time and cost associated with achieving the zoning change. The buyer was able to obtain entitlements during escrow. The entitlements were therefore superior. However, this superior feature only partially offset the significantly inferior frontage, access and zoning. The remaining elements of comparison were similar. This sale was inferior when compared to the subject.

Land Sale Two

This is the sale of a vacant parcel, located on the east side of Piedmont Drive, north of Highland Avenue, in the city of San Bernardino. The property was zoned RM - Residential Medium which allows up to 12 units per acre. During escrow the buyer submitted plans for a 51-unit mobile home park project, including a clubhouse and a pool. The proposed project results in a density of 7.51 units per acre. The surroundings include a mobile home park to the north, single-family residences to the west and a shopping center anchored by Walmart to the south.

When compared to the subject, the smaller size was superior on a price per square foot basis. The entitlement status was superior as the buyer was allowed to obtain approvals during escrow. The property has an irregular shape but was slightly superior in terms of shape as the entire area is useable. The property has the same zoning as the subject and the same allowed density, but the buyer has chosen to develop the property at a lower density. We have considered the zoning/density to be similar as it is the same zoning as the subject property. The remaining elements of comparison were similar. Overall, this comparable was superior to the subject.

Land Sale Three

This represents a 27.15-acre site that consists of seven parcels in unincorporated Riverside county. It's zoned MU (Mixed Use) and sold in an off-market transaction. The buyer submitted plans for a total of 846 townhouses over 65 acres while the property was in escrow. The project includes land on both the north and south side of Spring Street. Out of the 846 units, 357 units are planned on the sale property. They plan to construct the units over two phases. The north side of Spring Street includes the first phase, while the sale property is the second phase as it is on the south side of Spring Street. The surroundings include single-family residences to the east and west, vacant land and a newly constructed residential project to the north (Highgrove Town Center by Lennar, which is a portion of Phase 1) and industrial uses to the south.

When compared to the subject property, the shape is similar but does not have an easement that limits the use of an area near the center. The shape was therefore superior. The entitlement status was also superior. These superior features were partially offset by the inferior size on a price per square foot basis. Overall, this comparable was slightly superior to the subject.

Land Sale Four

This represents the sale of four parcels that total approximately 12.53-acres. Les Whittlesey of WD Land indicated that the site sold to a developer as part of a 1031 exchange. The buyer plans to develop 272 residential units at this site. The buyer also owns the adjacent property to the south, which they purchased in 2019. The buyer obtained entitlements for a total project of 472 townhouses called San Carlo. The first phase includes 200 units on the property to the south. This part of the project has also been constructed. Mr. Whittlesey verified the sale price of \$6,000,000.

When compared to the subject, the frontage/access was slightly superior due to its corner location. The density was significantly superior. The entitlement status was also superior. Finally, the general shape was similar, but was slightly superior overall due to the subject's well easement. Overall, this comparable was significantly superior to the subject.

Land Sale Five

This is the sale of a 10.1-acre lot located on the south side of Highland Avenue, within the city of San Bernardino. The site was zoned CG-1 at the time of sale. The buyer, Warmington Group of Companies, entitled the site during escrow. The buyer obtained entitlements for 95 single-family residential lots and nine lots for community amenities and improvements. This results in a density of 9.41 units per acre. The project is currently under construction. The surroundings include commercial uses to the north, a mobile home park to the east, vacant land to the west, and single-family residences to the south.

When compared to the subject, the entitlement status was superior as they were able to obtain entitlements during escrow. This property is L-shaped, similar to the subject property, but does not have an easement near the center of the property. It was therefore superior in terms of shape. The remaining

elements of comparison including size, shape, frontage, topography, and density were all similar features. Overall, this comparable was superior to the subject.

Land Sale Six

This is the sale of two parcels of vacant land which total 1.51 acres. The site is located within an unincorporated area of San Bernardino and is zoned RM, which allows a maximum of 20 units per acre. We confirmed the sale with the listing broker, Bryant Brislin with the Hoffman Company. He indicated the property was unentitled at the time of sale. He stated the buyer plans to construct garden-style apartments, but he did not know how many units the buyer planned. To the best of our knowledge, no plans have been submitted to the County of San Bernardino. The surrounding uses include a mixture of single-family residences and small multifamily properties. The property is also adjacent to a church.

When compared to the subject, the rectangular shape was significantly superior. The allowed density and smaller size were superior to the subject. The entitlement status, topography, frontage, access, and utility availability were all similar features. Overall, this comparable was superior to the subject.

Land Sale Seven

This is the sale of a 1.14-acre parcel located on the south side of Lynwood Drive, within the city of San Bernardino. The site was vacant at the time of sale. It is zoned RH, which allows a maximum density of 31 units per acre. The site was unentitled at the time of sale. Based on the zoning development standards, a maximum of 35 units are allowed on the property. However, according to the City Planning's website, the last plans were submitted in 2008 and they were for an 18-unit project. There were also plans submitted in 2007 for a 28-unit project. The surroundings include a mobile home park to the north, apartments to the west, single-family residences to the south and vacant land to the east.

When compared to the subject, the smaller size was superior and the higher allowed density was significantly superior. These superior features were partially offset by an inferior narrow shape and a small amount of frontage. The remaining elements of comparison were similar. Overall, this comparable was slightly superior to the subject.

Summary of Adjustments

As in most analyses, each element of comparison is not weighted equally. For example, the location of a property as an element of comparison may outweigh its size, resulting in an overall rating of "inferior" to the subject, though there may be numerically more elements rated as "similar" in the comparison grid. Certain elements balance the effect of other elements in each sale's comparison. Based on our comparative analysis, the following chart summarizes the adjustments warranted to each comparable.

LAND SALES ADJUSTMENT GRID								Subject
Comparable Number	1	2	3	4	5	6	7	
Transaction Type	Sale	Sale	Sale	Sale	Sale	Sale	Sale	---
Transaction Date	Jan-24	Dec-23	Jul-23	Dec-22	Dec-22	May-22	Jan-22	---
Interest Transferred	Fee	Fee	Fee	Fee	Fee	Fee	Fee	
	Simple/Freehold	Simple/Freehold	Simple/Freehold	Simple/Freehold	Simple/Freehold	Simple/Freehold	Simple/Freehold	
Proposed Use	181-unit townhouse	51-unit mobile home park	357 unit development	272 For Lease Townhouses	95 SFR development	MFR Development	Multifamily development	Residential development
Actual Sale Price	\$1,750,000	\$2,800,000	\$5,996,500	\$6,000,000	\$2,925,000	\$365,000	\$225,000	---
Adjusted Sale Price ¹	\$1,750,000	\$2,800,000	\$5,996,500	\$6,000,000	\$2,925,000	\$365,000	\$225,000	---
Size (Acres)	11.25	6.79	27.15	12.53	10.10	1.51	1.14	13.54
Size (SF)	490,050	295,772	1,182,654	545,807	439,956	65,971	49,658	589,670
Density (UPA)	14.37	7.51	13.15	21.71	9.41	19.81	30.70	11.97
Price Per SF	\$3.57	\$9.47	\$5.07	\$10.99	\$6.65	\$5.53	\$4.53	---
Price (\$ PSF)	\$3.57	\$9.47	\$5.07	\$10.99	\$6.65	\$5.53	\$4.53	
Property Rights Conveyed	Similar	Similar	Similar	Similar	Similar	Similar	Similar	
Financing Terms ¹	Similar	Similar	Similar	Similar	Similar	Similar	Similar	
Conditions of Sale	Similar	Similar	Similar	Similar	Similar	Similar	Similar	
Market Conditions (Time)	7.3%	-5.9%	-2.3%	2.7%	2.7%	8.6%	11.6%	
Subtotal	\$3.83	\$8.91	\$4.95	\$11.29	\$6.83	\$6.01	\$5.06	
Size	Similar	Superior	Inferior	Similar	Similar	Superior	Superior	
Shape	Similar	Sl. Superior	Superior	Sl. Superior	Superior	Sign. Superior	Inferior	
Frontage/Access	Sign. Inferior	Similar	Similar	Sl. Superior	Similar	Similar	Inferior	
Topography	Similar	Similar	Similar	Similar	Similar	Similar	Similar	
Location	Similar	Similar	Similar	Similar	Similar	Similar	Similar	
Zoning/Density	Sign. Inferior	Similar	Similar	Sign. Superior	Similar	Superior	Sign. Superior	
Utilities	Similar	Similar	Similar	Similar	Similar	Similar	Similar	
Entitlements	Superior	Superior	Superior	Superior	Superior	Similar	Similar	
Overall Comparability	Inferior	Superior	Sl. Superior	Sign. Superior	Superior	Superior	Sl. Superior	

¹ Adjusted sale price for cash equivalency and/or development costs (where applicable)

Compiled by CBRE

Conclusion

Based on the foregoing discussion of comparability, the market data and the subject may be arrayed as shown below:

LAND VALUE ARRAY		
Data No.	Overall Comparison	Market Conditions Adjusted Price Per SF
4	Significantly Superior	\$11.29
2	Superior	\$8.91
5	Superior	\$6.83
6	Superior	\$6.01
7	Sl. Superior	\$5.06
3	Sl. Superior	\$4.95
	SUBJECT	
1	Inferior	\$3.83
Compiled by CBRE		

The preceding analysis indicates a value within a range of \$3.83 to \$11.29 per square foot. Sale 4 was entitled during escrow and has a significantly higher density than what is allowed on the subject. It was significantly superior overall. Sales 2 and 5 were also entitled during escrow and were superior, primarily due to entitlements. Sales 3 and 7 were slightly superior and were both had market conditions adjusted prices near \$5 per square foot. Sale 1 was inferior due to the time and cost required for a zone change and the lack of any significant frontage. Sales 1 and 3 bracket the subject between \$3.83 and \$4.95 per square foot.

Based on the preceding analysis, we reach a land value conclusion as follows for the subject property:

CONCLUDED LAND VALUE				
\$ PSF		Subject SF		Total
\$4.50	x	589,670	=	\$2,653,515
Indicated Value:				\$2,650,000
		(Rounded \$ PSF)		\$4.49
Compiled by CBRE				

The above value conclusion results in a price per unit of approximately \$16,350 per unit, which is within the range shown by the comparables. We remind the reader that the above conclusion assumes the existing easements can be relocated to accommodate development and that the existing improvements have been removed.

Reconciliation of Value

In the sales comparison approach, the subject is compared to similar properties that have been sold recently. The sales used in this analysis are considered highly comparable to the subject, and the required adjustments were based on reasonable and well-supported rationale. In addition, market participants are currently analyzing purchase prices on similar properties as they relate to available substitutes in the market. Therefore, the sales comparison approach is considered to provide a reliable value indication.

Based on the foregoing, the market value of the subject has been concluded as follows:

MARKET VALUE CONCLUSION			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Land Value	Fee Simple Estate	August 31, 2024	\$2,650,000
Compiled by CBRE			

Assumptions and Limiting Conditions

1. CBRE, Inc. through its appraiser (collectively, "CBRE") has inspected through reasonable observation the subject property. However, it is not possible or reasonably practicable to personally inspect conditions beneath the soil and the entire interior and exterior of the improvements on the subject property. Therefore, no representation is made as to such matters.
2. The report, including its conclusions and any portion of such report (the "Report"), is as of the date set forth in the letter of transmittal and based upon the information, market, economic, and property conditions and projected levels of operation existing as of such date. The dollar amount of any conclusion as to value in the Report is based upon the purchasing power of the U.S. Dollar on such date. The Report is subject to change as a result of fluctuations in any of the foregoing. CBRE has no obligation to revise the Report to reflect any such fluctuations or other events or conditions which occur subsequent to such date.
3. Unless otherwise expressly noted in the Report, CBRE has assumed that:
 - (i) Title to the subject property is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. CBRE has not examined title records (including without limitation liens, encumbrances, easements, deed restrictions, and other conditions that may affect the title or use of the subject property) and makes no representations regarding title or its limitations on the use of the subject property. Insurance against financial loss that may arise out of defects in title should be sought from a qualified title insurance company.
 - (ii) Existing improvements on the subject property conform to applicable local, state, and federal building codes and ordinances, are structurally sound and seismically safe, and have been built and repaired in a workmanlike manner according to standard practices; all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; and the roof and exterior are in good condition and free from intrusion by the elements. CBRE has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. CBRE appraisers are not engineers and are not qualified to judge matters of an engineering nature, and furthermore structural problems or building system problems may not be visible. It is expressly assumed that any purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems.
 - (iii) Any proposed improvements, on or off-site, as well as any alterations or repairs considered will be completed in a workmanlike manner according to standard practices.
 - (iv) Hazardous materials are not present on the subject property. CBRE is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater, mold, or other potentially hazardous materials may affect the value of the property.
 - (v) No mineral deposit or subsurface rights of value exist with respect to the subject property, whether gas, liquid, or solid, and no air or development rights of value may be transferred. CBRE has not considered any rights associated with extraction or exploration of any resources, unless otherwise expressly noted in the Report.
 - (vi) There are no contemplated public initiatives, governmental development controls, rent controls, or changes in the present zoning ordinances or regulations governing use, density, or shape that would significantly affect the value of the subject property.
 - (vii) All required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be readily obtained or renewed for any use on which the Report is based.
 - (viii) The subject property is managed and operated in a prudent and competent manner, neither inefficiently, nor super-efficiently.
 - (ix) The subject property and its use, management, and operation are in full compliance with all applicable federal, state, and local regulations, laws, and restrictions, including without limitation environmental laws, seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, and licenses.
 - (x) The subject property is in full compliance with the Americans with Disabilities Act (ADA). CBRE is not qualified to assess the subject property's compliance with the ADA, notwithstanding any discussion of possible readily achievable barrier removal construction items in the Report.
 - (xi) All information regarding the areas and dimensions of the subject property furnished to CBRE are correct, and no encroachments exist. CBRE has neither undertaken any survey of the boundaries of the subject property, nor reviewed or confirmed the accuracy of any legal description of the subject property.

Unless otherwise expressly noted in the Report, no issues regarding the foregoing were brought to CBRE's attention, and CBRE has no knowledge of any such facts affecting the subject property. If any information inconsistent with any of the foregoing assumptions is discovered, such information could have a substantial negative impact on the Report and any conclusions stated therein. Accordingly, if any such information is subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. CBRE assumes no responsibility for any conditions regarding the foregoing, or for any expertise or knowledge required to discover them. Any user of the Report is urged to retain an expert in the applicable field(s) for information regarding such conditions.

4. CBRE has assumed that all documents, data and information furnished by or on behalf of the client, property owner or owner's representative are accurate and correct, unless otherwise expressly noted in the Report. Such data and information include, without limitation, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any error in any of the above could have a substantial impact on the Report and any conclusions stated therein. Accordingly, if any such errors are subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. The client and intended user should carefully review all assumptions, data, relevant calculations, and conclusions of the Report and should immediately notify CBRE of any questions or errors within 30 days after the date of delivery of the Report.
5. CBRE assumes no responsibility (including any obligation to procure the same) for any documents, data or information not provided to CBRE, including, without limitation, any termite inspection, survey or occupancy permit.
6. All furnishings, equipment and business operations have been disregarded with only real property being considered in the Report, except as otherwise expressly stated and typically considered part of real property.
7. Any cash flows included in the analysis are forecasts of estimated future operating characteristics based upon the information and assumptions contained within the Report. Any projections of income, expenses and economic conditions utilized in the Report, including such cash flows, should be considered as only estimates of the expectations of future income and expenses as of the date of the Report and not predictions of the future. This Report has been prepared in good faith, based on CBRE's current anecdotal and evidence-based views of the commercial real estate market. Although CBRE believes its views reflect market conditions on the date of this Report, they are subject to significant uncertainties and contingencies, many of which are beyond CBRE's control. In addition, many of CBRE's views are opinion and/or projections based on CBRE's subjective analyses of current market circumstances. Actual results are affected by a number of factors outside the control of CBRE, including without limitation fluctuating economic, market, and property conditions. Actual results may ultimately differ from these projections, and CBRE does not warrant any such projections. Further, other firms may have different opinions, projections and analyses, and actual market conditions in the future may cause CBRE's current views to later change or be incorrect. CBRE has no obligation to update its views herein if its opinions, projections, analyses or market circumstances later change.
8. The Report contains professional opinions and is expressly not intended to serve as any warranty, assurance or guarantee of any particular value of the subject property. Other appraisers may reach different conclusions as to the value of the subject property. Furthermore, market value is highly related to exposure time, promotion effort, terms, motivation, and conclusions surrounding the offering of the subject property. The Report is for the sole purpose of providing the intended user with CBRE's independent professional opinion of the value of the subject property as of the date of the Report. Accordingly, CBRE shall not be liable for any losses that arise from any investment or lending decisions based upon the Report that the client, intended user, or any buyer, seller, investor, or lending institution may undertake related to the subject property, and CBRE has not been compensated to assume any of these risks. Nothing contained in the Report shall be construed as any direct or indirect recommendation of CBRE to buy, sell, hold, or finance the subject property.
9. No opinion is expressed on matters which may require legal expertise or specialized investigation or knowledge including, but not limited to, environmental, social, and governance principles ("ESG"), beyond that customarily employed by real estate appraisers. Any user of the Report is advised to retain experts in areas that fall outside the scope of the real estate appraisal profession for such matters.
10. CBRE assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
11. Acceptance or use of the Report constitutes full acceptance of these Assumptions and Limiting Conditions and any special assumptions set forth in the Report. It is the responsibility of the user of the Report to read in full, comprehend and thus become aware of all such assumptions and limiting conditions. CBRE assumes no responsibility for any situation arising out of the user's failure to become familiar with and understand the same.

12. The Report applies to the property as a whole only, and any pro ration or division of the title into fractional interests will invalidate such conclusions, unless the Report expressly assumes such pro ration or division of interests.
13. The allocations of the total value estimate in the Report between land and improvements apply only to the existing use of the subject property. The allocations of values for each of the land and improvements are not intended to be used with any other property or appraisal and are not valid for any such use.
14. The maps, plats, sketches, graphs, photographs, and exhibits included in this Report are for illustration purposes only and shall be utilized only to assist in visualizing matters discussed in the Report. No such items shall be removed, reproduced, or used apart from the Report.
15. The Report shall not be duplicated or provided to any unintended users in whole or in part without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Exempt from this restriction is duplication for the internal use of the intended user and its attorneys, accountants, or advisors for the sole benefit of the intended user. Also exempt from this restriction is transmission of the Report pursuant to any requirement of any court, governmental authority, or regulatory agency having jurisdiction over the intended user, provided that the Report and its contents shall not be published, in whole or in part, in any public document without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Finally, the Report shall not be made available to the public or otherwise used in any offering of the property or any security, as defined by applicable law. Any unintended user who may possess the Report is advised that it shall not rely upon the Report or its conclusions and that it should rely on its own appraisers, advisors and other consultants for any decision in connection with the subject property. CBRE shall have no liability or responsibility to any such unintended user.

Addenda

Addendum A

Land Sale Data Sheets

Property Name	Linden Avenue
Address	10719 Linden Avenue Bloomington, CA 92316
County	San Bernardino
Govt./Tax ID	0257-021-28 & 0257-031-35
Area Measurement(NRA)	
Land Area Net	11.250 ac/ 490,050 sf
Land Area Gross	11.250 ac/ 490,050 sf
Site Development Status	Raw
Utilities	All available to site
Max Allow Bldg Units/Density	162 / 14.40
Shape	Irregular
Primary Frontage	60 ft on Linden Ave
Topography	Level, At Street Grade
Zoning	RS-20M / RM
Entitlement Status	Tentative Tract
Proposed Use or Development	181-unit townhouse development



Transaction Details

Type	Sale	Primary Verification	Listing Broker
Interest Transferred	Fee Simple	Transaction Date	01/09/2024
Condition of Sale	None	Recording Date	01/09/2024
Buyer Type	Developer	Sale Price	\$1,750,000
Recorded Seller	Nakano Family Trust	Financing	All Cash
Marketing Time	N/A	Cash Equivalent	\$1,750,000
Listing Broker	Todd Launchbaugh, Lee & Associates, 909-373-2911	Capital Adjustment	\$0
Doc #	24-0007321	% Interest Purchased	100%
		Adjusted Price	\$1,750,000
		Adjusted Price / ac and / sf	\$155,556 / \$3.57
		Adjusted Price/ FAR	N/A
		Adjusted Price/ Unit	\$10,802

Comments

This is the sale of an 11.25 acre site located on the east side of Linden Avenue within the unincorporated community of Bloomington. The site has a narrow access point from Linden Avenue. However, the buyer also purchased an adjacent parcel to the east that was owned by the San Bernardino Flood Control District in a separate transaction, which provides additional access from Santa Ana Avenue. The listing broker, Todd Launchbaugh with Lee & Associates, indicated the property was in escrow for approximately 18 months. During this time, the buyer obtained approvals for a zone change from RS-20M, which allows a minimum lot size of 20,000 square feet or 2.18 units per acre, to RM. The buyer also obtained approvals for a 181-unit townhouse development. According to the San Bernardino County's Planning Commission's Staff Report, the total project size is 12.6 acres. This results in a density of 14.37 units per acre. We have estimated a total of 162 units as the pro-rata share for this sale property. The listing broker indicated the sale closed once the buyer obtained approvals for their proposed project. The surroundings are primarily single-family residences.

Property Name	Piedmont Park Estates
Address	Piedmont Drive San Bernardino, CA 92346
County	San Bernardino
Govt./Tax ID	1199-671-13-0000
Area Measurement(NRA)	
Land Area Net	6.790 ac/ 295,772 sf
Land Area Gross	6.790 ac/ 295,772 sf
Site Development Status	Raw
Utilities	To Site
Max Allow Bldg Units/Density	51 / 7.51
Shape	Irregular
Primary Frontage	500 ft on Piedmont Avenue
Topography	Rolling
Flood Zone Class	Zone X (Unshaded)
Flood Panel No./ Date	06071C7965H/ Aug 2008
Zoning	RM - Residential Medium
Entitlement Status	Tentative Tract
Proposed Use or Development	51-unit mobile home park



Transaction Details

Type	Sale	Primary Verification	CBRE Files and CoStar
Interest Transferred	Fee Simple	Transaction Date	12/01/2023
Condition of Sale	Arm's length	Recording Date	12/01/2023
Buyer Type	Developer	Sale Price	\$2,800,000
Recorded Seller	CommStar, L.P.	Financing	Market Rate Financing
Marketing Time	N/A	Cash Equivalent	\$2,800,000
Listing Broker	N/A	Capital Adjustment	\$0
Doc #	2023-0297635	% Interest Purchased	100%
		Adjusted Price	\$2,800,000
		Adjusted Price / ac and / sf	\$412,371 / \$9.47
		Adjusted Price/ FAR	N/A
		Adjusted Price/ Unit	\$54,902

Comments

This is the sale of a vacant parcel, located on the east side of Piedmont Drive, north of Highland Avenue, in the city of San Bernardino. The property was zoned RM - Residential Medium which allows up to 12 units per acre. During escrow the buyer submitted plans for a 51-unit mobile home park project, including a clubhouse and a pool. The proposed project results in a density of 7.51 units per acre. The surroundings include a mobile home park to the north, single-family residences to the west and a shopping center anchored by Walmart to the south.

Property Name	Residential Land
Address	19485 Spring Street Riverside (unincorporated Riverside County, CA 92507
County	Riverside
Govt./Tax ID	Multiple
Area Measurement(NRA)	
Land Area Net	27.150 ac/ 1,182,654 sf
Land Area Gross	27.150 ac/ 1,182,654 sf
Site Development Status	Raw
Utilities	All available to site
Max Allow Bldg Units/Density	357 / 13.15
Min Land Bldg Ratio	N/A
Shape	Irregular
Primary Frontage	1,250 ft on Spring St
Topography	Level, At Street Grade
Zoning	MU, Mixed Use
Entitlement Status	Fully Entitled/Planning Permissions
Proposed Use or Development	357 unit development



Transaction Details

Type	Sale	Primary Verification	CoStar
Interest Transferred	Fee Simple	Transaction Date	07/11/2023
Condition of Sale	Off-market	Recording Date	07/11/2023
Buyer Type	N/A	Sale Price	\$5,996,500
Recorded Seller	High Grove Village LLC	Financing	Market Rate Financing
Marketing Time	N/A	Cash Equivalent	\$5,996,500
Listing Broker	None	Capital Adjustment	\$0
Doc #	0201740	% Interest Purchased	100%
		Adjusted Price	\$5,996,500
		Adjusted Price / ac and / sf	\$220,866 / \$5.07
		Adjusted Price/ FAR	N/A
		Adjusted Price/ Unit	\$16,797

Comments

This represents a 27.15-acre site that consists of seven parcels in unincorporated Riverside county. It's zoned MU (Mixed Use) and sold in an off-market transaction. The buyer submitted plans for a total of 846 townhouses over 65 acres while the property was in escrow. The project includes land on both the north and south side of Spring Street. Out of the 846 units, 357 units are planned on the sale property, resulting in a density of 13.15 units per acre. They plan to construct the units over two phases. The north side of Spring Street includes the first phase, while the sale property is the second phase as it is on the south side of Spring Street. The surroundings include single-family residences to the east and west, vacant land and a residential project under construction to the north (Highgrove Town Center by Lennar, which is a portion of Phase 1) and industrial uses to the south.

Property Name	Greenspot Village St - PA 3
Address	7820-7822 Boulder Avenue Highland, CA 92346
County	San Bernardino
Govt./Tax ID	Multiple
Area Measurement(NRA)	
Land Area Net	12.530 ac/ 545,807 sf
Land Area Gross	12.530 ac/ 545,807 sf
Site Development Status	Finished
Utilities	To Site
Max Allow Bldg Units/Density	272 / 21.71
Shape	Irregular
Primary Frontage	760 ft on Boulder Avenue
Secondary Frontage	80 ft on Webster St
Topography	Generally Level
Flood Zone Class	Zone X (Unshaded)
Flood Panel No./ Date	06071C8702H/ Aug 2008
Zoning	PD
Entitlement Status	Final Tract
Proposed Use or Development	272 For Lease Townhouses



Transaction Details

Type	Sale	Primary Verification	Les Whittlesey - WD Land - (949) 789-4555 X14
Interest Transferred	Fee Simple	Transaction Date	12/30/2022
Condition of Sale	1031 Exchange	Recording Date	N/A
Buyer Type	Developer	Sale Price	\$6,000,000
Recorded Seller	Greenspot Village & Marketplace LLC/ Loma Linda Village Center LLC	Financing	All Cash
Marketing Time	2 Month(s)	Cash Equivalent	\$6,000,000
Listing Broker	Les Whittlesey - WD Land - (949) 789-4555 X14	Capital Adjustment	\$0
Doc #	2023-0008561	% Interest Purchased	100%
		Adjusted Price	\$6,000,000
		Adjusted Price / ac and / sf	\$478,851 / \$10.99
		Adjusted Price/ FAR	N/A
		Adjusted Price/ Unit	\$22,059

Comments

This represents the sale of four parcels that total approximately 12.53-acres. Les Whittlesey of WD Land indicated that the site sold to a developer as part of a 1031 exchange. The buyer plans to develop 272 residential units at this site. The buyer also owns the adjacent property to the south, which they purchased in 2019. The buyer obtained entitlements for a total project of 472 townhouses called San Carlo Apartment Homes. The first phase includes 200 units on the property to the south. This part of the project has also been constructed and is currently being offered for lease. Mr. Whittlesey verified the sale price of \$6,000,000.

Property Name	95 SFR lot development
Address	1795 W Highland Ave San Bernardino, CA 92411
County	San Bernardino
Govt./Tax ID	0143-191-59
Area Measurement(NRA)	
Land Area Net	10.100 ac/ 439,956 sf
Land Area Gross	10.100 ac/ 439,956 sf
Site Development Status	Raw
Utilities	All available to site
Max Allow Bldg Units/Density	95 / 9.41
Shape	L Shaped
Primary Frontage	450 ft on Highland Ave
Topography	Generally Level
Zoning	CG-1
Entitlement Status	Fully Entitled/Planning Permissions
Proposed Use or Development	95 SFR development



Transaction Details

Type	Sale	Primary Verification	CoStar
Interest Transferred	Fee Simple	Transaction Date	12/28/2022
Condition of Sale	None	Recording Date	12/28/2022
Buyer Type	Developer	Sale Price	\$2,925,000
Recorded Seller	Positive Investments, Inc.	Financing	All Cash
Marketing Time	N/A	Cash Equivalent	\$2,925,000
Listing Broker	N/A	Capital Adjustment	\$0
Doc #	N/A	% Interest Purchased	100%
		Adjusted Price	\$2,925,000
		Adjusted Price / ac and / sf	\$289,604 / \$6.65
		Adjusted Price/ FAR	N/A
		Adjusted Price/ Unit	\$30,789

Comments

This is the sale of a 10.1-acre lot located on the south side of Highland Avenue, within the city of San Bernardino. The site was zoned CG-1 at the time of sale. The buyer, Warmington Group of Companies, entitled the site during escrow. The buyer obtained entitlements for 95 single-family residential lots and nine lots for community amenities and improvements. This results in a density of 9.41 units per acre. The project is currently under construction. The surroundings include commercial uses to the north, a mobile home park to the east, vacant land to the west, and single-family residences to the south.

Property Name	4009-4015 Newmark Ave
Address	4009-4015 Newmark Ave San Bernardino, CA 92407
County	San Bernardino
Govt./Tax ID	0271-031-03 & -04
Area Measurement(NRA)	
Land Area Net	1.515 ac/ 65,971 sf
Land Area Gross	1.515 ac/ 65,971 sf
Site Development Status	Raw
Utilities	All available to site
Max Allow Bldg Units/Density	30 / 19.81
Shape	Rectangular
Primary Frontage	256 ft on Newmark Ave
Topography	Generally Level
Zoning	RM, Multiple Residential
Entitlement Status	None
Proposed Use or Development	MFR Development



Transaction Details

Type	Sale	Primary Verification	Listing Broker
Interest Transferred	Fee Simple	Transaction Date	05/13/2022
Condition of Sale	None	Recording Date	05/13/2022
Buyer Type	Private Investor	Sale Price	\$365,000
Recorded Seller	Community Bible Church	Financing	Cash to Seller
Marketing Time	2 Month(s)	Cash Equivalent	\$365,000
Listing Broker	Bryant Brislin, Hoffman Company, 714-814-5624	Capital Adjustment	\$0
Doc #	22-0179792	% Interest Purchased	100%
		Adjusted Price	\$365,000
		Adjusted Price / ac and / sf	\$241,004 / \$5.53
		Adjusted Price/ FAR	N/A
		Adjusted Price/ Unit	\$12,167

Comments

This is the sale of two parcels of vacant land which total 1.51 acres. The site is located within an unincorporated area of San Bernardino and is zoned RM, which allows a maximum of 20 units per acre. We confirmed the sale with the listing broker, Bryant Brislin with the Hoffman Company. He indicated the property was unentitled at the time of sale. He stated the buyer plans to construct garden-style apartments, but he did not know how many units the buyer planned. To the best of our knowledge, no plans have been submitted to the County of San Bernardino. The surrounding uses include a mixture of single-family residences and small multifamily properties. The property is also adjacent to a church.

Property Name	South side of Lynwood Dr, Between Golden Ave & Mountain Ave
Address	South side of Lynwood Dr, Between Golden Ave & Mountain Ave San Bernardino, CA 92404
County	San Bernardino
Govt./Tax ID	0155-151-20
Area Measurement(NRA)	
Land Area Net	1.140 ac/ 49,658 sf
Land Area Gross	1.140 ac/ 49,658 sf
Site Development Status	Raw
Utilities	All available to site
Max Allow Bldg Units/Density	35 / 30.70
Shape	Rectangular
Primary Frontage	110 ft on Lynwood Dr
Topography	Generally Level
Zoning	RH, Residential High
Entitlement Status	None
Proposed Use or Development	Multifamily development



Transaction Details

Type	Sale	Primary Verification	CoStar, Public Records, Deed
Interest Transferred	Fee Simple	Transaction Date	01/14/2022
Condition of Sale	None	Recording Date	01/14/2022
Buyer Type	Private Investor	Sale Price	\$225,000
Recorded Seller	Suhail Kinan & Naief Husein Khalil	Financing	N/A
Marketing Time	25 Month(s)	Cash Equivalent	\$225,000
Listing Broker	Jerry Tomeo, MGR Real Estate, 909-996-8877	Capital Adjustment	\$0
Doc #	22-0019210	% Interest Purchased	100%
		Adjusted Price	\$225,000
		Adjusted Price / ac and / sf	\$197,368 / \$4.53
		Adjusted Price/ FAR	N/A
		Adjusted Price/ Unit	\$6,429

Comments

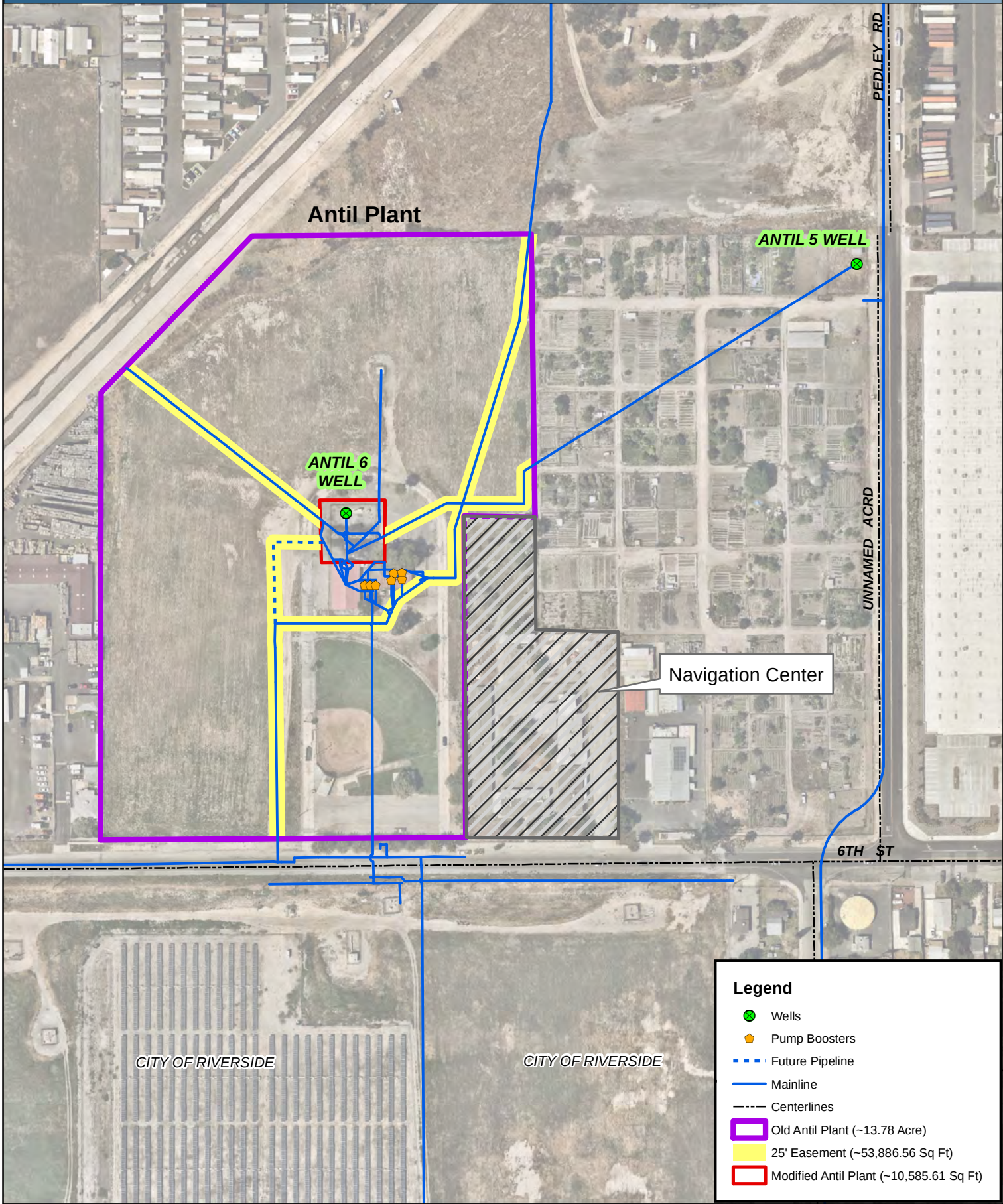
This is the sale of a 1.14-acre parcel located on the south side of Lynwood Drive, within the city of San Bernardino. The site was vacant at the time of sale. It is zoned RH, which allows a maximum density of 31 units per acre. The site was unentitled at the time of sale. Based on the zoning development standards, a maximum of 35 units are allowed on the property. However, according to the City Planning's website, the last plans were submitted in 2008 and they were for an 18-unit project (15.78 units per acre). There were also plans submitted in 2007 for a 28-unit project (24.54 units per acre). The surroundings include a mobile home park to the north, apartments to the west, single-family residences to the south and vacant land to the east.

Addendum B

Subject Mapping



Modified Antil Plant Site and Easements



Addendum C

Qualifications



VALUATION & ADVISORY SERVICES

Jerardo Arciniega, MAI

Vice President
Encino, CA
E Jerardo.Arciniega@cbre.com

Jerardo Arciniega is a Vice President for CBRE's Valuation & Advisory Services (VAS). Mr. Arciniega has been appraising real property since 2005. He has extensive experience in real estate analysis, data collection and studies including interviewing buyers, sellers, brokers and tenants with regard to the details of transactions and market conditions, as well as report writing for narrative appraisal assignments concerning all major real estate categories.

Pro Affiliations / Accreditations

- Member: Appraisal Institute (MAI No. 480323)
- Licensed: California Certified General Real Estate Appraiser No. AG042445
- Member: International Right of Way Association

Education

- B.A., Economics (Cum Laude), California State University, Northridge

He has experience in valuing a variety of property types including retail, office, and industrial buildings, apartments, single-family residences, mobile home parks, gas stations, nurseries, renewable energy sites, self-storage facilities, and special purpose properties. He has worked on many high-profile right-of-way projects, including the Los Angeles Metro Purple Line expansion, the State Route-91 Corridor Improvement Project, among many others. His work also encompasses litigation support related to potential value diminution, eminent domain, and other issues.

He has successfully appraised properties for various client groups such as public agencies (Los Angeles Department of Water and Power, Metropolitan Water District, Metropolitan Transportation Authority, cities of Riverside, Culver City, and South Gate), financial institutions, law firms, and individual property owners. In addition, he has represented property owners in assessment appeal cases. Jerardo was previously an Associate Director at Integra Realty Resources – Los Angeles.

Representative Appraisal Assignments

- The valuation of three properties in Century City for the Los Angeles County Metropolitan Transportation Authority. The assignments included partial and full acquisition as part of the Purple Line Subway Extension Project;
- The valuation of a single-family residence in Beverly Hills as part of an Assessment Appeal case. Mr. Arciniega represented an out-of-state property owner at the hearing and the assessment of the property was reduced by over thirty-five percent.
- The appraisal of an approximately 4,250-acre property improved with a vehicle test track facility. The assignment included a highest and best use analysis, including the possibility of renewable energy redevelopment;
- A valuation assignment of approximately 140 properties in the Mojave Desert for partial and full acquisition.

- A valuation of 70 easements and partial takings in Burbank. The take areas primarily consisted of land under public rights-of-way. The Across-the-Fence valuation method was utilized.
- A valuation of 11 properties throughout Los Angeles County including high-rise office buildings, industrial buildings, and a golf course, as part of an analysis of Proposition 8 Assessment reductions.
- A valuation assignment of 40 service stations throughout Los Angeles, Orange, Ventura and San Bernardino counties.
- A valuation for the U.S. Department of Justice in a case involving the acquisition of four sections of land in Imperial County which was leased to the United States and used as part of a bombing range.
- The valuation of the leasehold estate of three properties situated in Marina Del Rey. The analysis included researching rental rates and occupancy rates for boat slips and dry storage lots, as well as sales and leases of restaurant, retail, and office space.
- The valuation of Banning Ranch in Newport Beach, which is one of the largest undeveloped sites in Orange County. The property included a residential development component, wetlands, and open space. The valuation required multiple various zones of value.
- The valuation of the former Carousel Mall site in San Bernardino. The property was vacant for several years and the City of San Bernardino planned to redevelop the property with a mixed-use development.



VALUATION & ADVISORY SERVICES

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Professional Experience

Beth B. Finestone, MAI, AI-GRS, FRICS, CRE, is an Executive Vice President for CBRE's Valuation & Advisory Services (VAS). She has been appraising in Southern California since 1981, specializing in valuation and consulting services related to public agency and right-of-way clients and for major investment-grade commercial properties and special purpose properties. She also has extensive expertise in valuing large tracts of land for conservation, mitigation and other purposes.

Ms. Finestone's clients include public agencies, right-of-way firms, lenders, institutional investors, major corporations, law firms, and individual property owners. Her services include a wide range of specialized studies including ground lease rent studies, partial interest acquisitions, value diminution (from both internal and external influences), market demand, feasibility, severance damages and project benefits, investment analysis, assessment allocation, reuse analysis, and the valuation of partial interests including leasehold, leased fee, possessory interests, and minority interests.

She is experienced in valuing full and partial acquisitions related to eminent domain actions. These services include the valuation of fee acquisitions, permanent and temporary easements, including the appraisal of railroad and other types of corridors, pipeline easements and transmission line easements.

She has been a featured speaker at Appraisal Institute, International Right of Way, and legal functions. She was the 2019 President of the Southern California Chapter of the Appraisal Institute, the largest chapter in the country.

Beth was previously a Managing Director for and a principal of Integra Realty Resources – Los Angeles. In addition, she was the Executive Director of Integra Realty Resources – Orange County. During her career, she has held senior positions with Finestone & Associates and Cushman & Wakefield.

Professional Affiliations / Accreditations

- Member: Appraisal Institute
- Designation: Appraisal Institute – General Review Specialist (AI-GRS)
- Fellow: Royal Institution of Chartered Surveyors
- Member: The Counselors of Real Estate
- Member: International Right of Way Association
- License: California State Certified General Real Estate Appraiser
- Certified: Uniform Appraisal Standards for Federal Land Acquisitions (Yellow Book)

Education

- M.B.A., Pepperdine University
- B.S., Kinesiology, University of California, Los Angeles
- Certified by the Appraisal Institute's program of continuing education for its designated members.

Recognition

- Los Angeles Business Journal 2009 Nominee for Executive of the Year – Women Making a Difference, May 2009
- Designated one of Real Estate Southern California's 2006 Women of Influence, October 2006

Seminar Presentations

- *Corridors, Crops & Condemnation* (IRWA National Conference in San Diego, June 2015)
- *Eminent Domain Appraisals: Pitfalls & Value-Added Services* (RICS – Southern California Chapter, CPD Presentation, April 16, 2015)
- Government Buildings (Appraisal Institute, Special Purposes Seminar, July 15, 2014)
- *The Trouble with Ignoring Building Code Violators* (SCCAI 43rd Annual Litigation Seminar, Moderator, November 15, 2013)
- *Conflicting Mandates & Instructions Between USPAP, Yellow Book, & Caltrans Appraisal Guidelines* (IRWA Annual Valuation Seminar, April 24, 2012)
- *Current Issues in Real Estate Appraisal* (Lorman Education Services, live audio conference, March 8, 2012)
- *The Role of the Appraiser in Construction Defect Litigation: Measuring Damages from Construction Defects* (MCLE-approved presentation, January 11, 2012, March 4, 2010, and February 10, 2010)

Expert Testimony

Ms. Finestone has qualified as an expert witness in real estate matters and has testified before:

- Superior Courts: Los Angeles and Orange Counties
- Arbitration Hearings: Los Angeles County
- Tax Appeal Boards: Los Angeles and San Diego Counties

Representative Appraisal Assignments

- Appraisal of 50+ single-family residences (SFRs) impacted by the I-405 Widening Project in Costa Mesa. The acquisitions all involve temporary construction easements (TCEs). This assignment required an analysis of temporary severance damages due to impacts to rear yards as well as a valuation of all site improvements in the TCE areas. Appraisal of 50+ commercial properties impacted by various types of partial acquisitions related to the I-405. Some of the appraisals were extremely complex with significant severance damage studies required.
- Multiple appraisal assignments for LACMTA included:
 - Appraisal of a 1.25-acre parcel improved with a Class A, 12-story, medical office building constructed circa 1962, an adjacent one-story bank building and an attached four-story parking structure known as the Westwood Medical Plaza. It is located along the proposed Purple Line Subway Extension Project Corridor, specifically on the northeast corner of Wilshire Boulevard and Westwood Boulevard in the Westwood neighborhood within the City of Los Angeles. As part of this project, LACMTA is seeking acquire various permanent and temporary property interests, and to relocate existing tenants within the subject property. The purpose of this appraisal was to estimate the fair market value of the property interests (Parts Taken) to be acquired from the Larger Parcel and to make a determination as to the impact of the proposed acquisitions on the Remainder Parcel.
 - Appraisal of Wilshire Federal Building: Appraisal of a deep tunnel easement on the Wilshire frontage of the Federal Building as part of LACMTA's Purple Line extension. Consideration was given to the redevelopment potential of the site and the benefits to the remainder, as well as to the value of the parts taken.
 - Appraisal involving the valuation of partial acquisitions impacting the Westfield Mall in Century City as part of LACMTA's Purple Line extension. This assignment was challenging with respect to valuing the underlying land associated with the larger parcel. The property is unique due to its location and its size. Complexities involved determining the number of trips allocated to the site as this in part drives land value. Again, consideration was given to damages and benefits, as well as to the value of the parts taken.

- Appraisal of numerous surface and subsurface acquisitions were required on the Veteran's Administration property for the construction of a subway station and tunnel easements for LACMTA's Purple Line. Significant research was required relative to the VA specific plan and the highest and best use of the property. Consideration was given to damages and project benefits as well as the value of the parts acquired.
- **Appraisal of 50± miles of pipeline easement running through UPRR and BNSF rail corridors in Urban Los Angeles.**
- **Multiple appraisal assignments for RCTC included:**
 - Appraisal of parcels under more than 50 separate ownerships affected by acquisitions and easements for the SR-91 Corridor Improvement Project through the City of Corona. The complete summary appraisal reports and appraisal summary statements included a valuation of the properties in the before and after condition. Some of the properties had significant severance damage analyses due to loss of building improvements, parking, loading, etc.
 - City of Riverside 69 kV Electrical Transmission Line Project: Initially valued 22 residential and commercial properties in the City of Riverside. These properties all had a three-foot-wide partial taking along their frontage to accommodate the construction of a 69 kV transmission line. This represented Phase One of this assignment. Phase Two involved the partial taking of land over seven properties owned by UCR for the construction of a transmission line. The final phase involved approximately 100 properties of various types which were impacted by partial acquisitions for the construction of a transmission line. The final phase involved approximately 90 properties of various types which will be impacted by partial takes for the construction of a transmission line.
- **Appraisal of in excess of 75 private properties on behalf of CHSRA.** The property types included agricultural, commercial and residential. Most of the appraisals involved partial acquisitions. In addition, Ms. Finestone completed the appraisal of over 50 railroad corridor properties in conjunction with the high-speed rail project.
- **Appraisal of the Del Mar Fairgrounds, Racetrack, and Horsepark (450 acres of land and over 1,000,000 square feet in improvements) for the California Department of General Services.**
- **Completed an appraisal of a property that represents one of the largest parcels of undeveloped and unprotected coastal property in Southern California (Banning Ranch).** Much of the site had been occupied by oil operations since the 1940's. The appraisal of this property was very complex in that the highest and best use of the property was not clear at the onset of the assignment. This property consists of degraded wetlands, open space, and a small area with the potential for residential development. The goal of this project was to prepare an appraisal for acquisition purposes such that the buyer and seller could agree on a purchase price and put the property under contract.
- **West Coyote Hills: Appraised Neighborhoods 1 and 3 of Vested Tentative Tract Map (VTTM) 17609.** This is commonly referred to as Neighborhoods 1 and 3 of the West Coyotes Hills Property. Neighborhood 1 consists of 10.4± acres and was proposed for development with 16 residential units. Neighborhood 3 is 13.7± acres and was proposed for development with 59 residential units. Neighborhoods 1 and 3 were valued separately. The intended users of the report were the California State Coastal Conservancy, City of Fullerton, Wildlife Conservation Board, Rivers and Mountains Conservancy, California Department of Parks and Recreation, California Natural Resources Agency, and the US Fish and Wildlife Service. This report was prepared to Federal Standards in conformance with Yellow Book guidelines and the acquisition was made based on our appraisal.
- **Appraisal in Fresno County for the State Department of Water Resources,** which included 22 permanent flowage easements and three partial fee acquisitions. Some of the proposed flowage easements overlapped existing road and utility easements which had to be considered. Due to the nature of the flowage easements, substantial severance damages accrued to the remainder parcels which had to be considered. This assignment also included the consideration of orchard and crop values.
- **Multiple appraisal assignments for the U.S. Department of the Interior, Appraisal and Valuation Services Office (AVSO)** prepared to Federal Standards in accordance with Yellow Book guidelines. These were for acquisition purposes related to the San Joaquin River Restoration Project and for the acquisition land to be acquired for National Wilderness areas.

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CITY OF SAN BERNARDINO
MUNICIPAL WATER DEPARTMENT
WATER BOARD
STAFF REPORT

TO: Miguel J. Guerrero, P.E., General Manager 

FROM: Cynthia J. Mouser, Director of Finance

SUBJECT: FISCAL YEAR 2024-2025 MID-YEAR BUDGET REVIEW

DATE: February 4, 2025

CC: Robin Ohama, Steve Miller, Kevin Stewart, Jennifer Shepardson

BACKGROUND:

On June 11, 2024, the Water Board approved the Fiscal Year 2024-25 Operating and Capital Improvement Budget. The budget was prepared based on anticipated workloads, planned capital improvement projects, and history and knowledge of upcoming events that may have budgetary impacts.

To keep the Water Board up to date on the San Bernardino Municipal Water Department (Department) fiscal health, staff has prepared an analysis of the Department's financial performance through December 2024, representing approximately 50% of the fiscal year completed. Comparisons were made between the adopted budget and actual revenues and expenses at this time, and these comparisons were used to project anticipated results for the entire year.

WATER FUND SUMMARY:

At the end of December 2024, water sales revenues were slightly over budget, with 58% of the total revenue budget received. The water fund generally collects more revenue in the first half of the fiscal year as consumption increases due to warmer weather and dryer conditions. Operating expenses are on target, with actual expenses at approximately 50% of the total budget.

SEWER FUND SUMMARY:

At the end of December 2024, operating revenues for Sewer are on target, with 50% of the total revenue budget received. Revenue collection from the City of Loma Linda is only through October 2024. Operating expenses are performing well, with actual expenses at approximately 41% of the total budget, which is lower than anticipated through December 2024. Expenses are lower than anticipated due to the timing of the RIX billing, salary savings, and significant expenses being paid later in the fiscal year.

OPERATIONS & MAINTENANCE:

Water Distribution (3021) is requesting an increase of \$300,000 to Street Repairs & Paving – 103021-5404 due to an accelerated schedule to resurface sidewalks where meter boxes pose hazardous conditions. Additionally, the Department has experienced increased street cuts on streets with moratoriums; the City of San Bernardino Public Works Department places additional paving square footage on the Department.

PERSONNEL:

Information Technology (1040) is requesting the addition of two student intern positions. The intern positions are necessary due to an increased volume of requests received in the IT department. The student interns will be funded with FY2024-2025 budget funds, as the cost will not exceed \$14,000 for the remainder of FY25. The full cost of the student intern positions will be budgeted in IT (1040) in the FY2025-2026 budget.

CAPITAL PROJECTS:

Water Fund: The Director of the Water Utility is requesting one Capital transfer.

Project Name/Account Name	Project #	Original Budget	Adjustments
WATER			
Operating Expense			
Street Repairs & Paving		\$350,000	\$300,000
Capital Projects/Equipment			
Production Well No. 2	C2411140	\$500,000	<\$110,000>
FY25 Annual Pipeline Replacement/Rehabilitation	M2511163	\$300,000	\$110,000
Total Budget Adjustments – Water Fund			\$300,000

1. \$110,000 from Production Well No. 2 (C2411140) to FY25 Annual Pipeline Replacement/Rehabilitation (M2511163), for relocating approximately 450feet of 20-inch Intermediate Pressure Zone pipeline near the San Bernardino County Juvenile Court.

GOALS AND OBJECTIVES:

The review and update of the Department Fiscal Year 2024-25 Mid-Year Budget Review and Adjustment align with the Department's Strategic Plan under **Target #5: Fiscal Responsibility**. This action is consistent with the Department's Key Values, specifically to "Require ethical business practices."

Miguel J. Guerrero, P.E., General Manager

Page 3

February 4, 2025

Subject: FISCAL YEAR 2024-2025 MID-YEAR BUDGET REVIEW

FISCAL IMPACT:

Each year, operational changes, unanticipated events, and circumstances beyond the staff's control have budgetary consequences. In response, staff have identified areas that require budget adjustments and areas that have experienced savings to meet operational and capital requirements for the balance of the fiscal year.

RECOMMENDATION:

Staff recommends that the Water Board make the following motion:

- Approve adjustments to the Fiscal Year 2024-25 Operating and Capital Improvement Budget as stated in this staff report.

Respectfully submitted,



Cynthia Mouser
Director of Finance

**CITY OF SAN BERNARDINO
MUNICIPAL WATER DEPARTMENT**

**WATER BOARD
STAFF REPORT**

TO: Miguel J. Guerrero, P.E., General Manager 

FROM: Steve R. Miller, Director of Water Utility

SUBJECT: **APPROVAL OF A PROFESSIONAL SERVICES AGREEMENT BETWEEN THE SAN BERNARDINO MUNICIPAL WATER DEPARTMENT AND TKE ENGINEERING, INC. FOR ENGINEERING DESIGN SERVICES FOR THE 58TH AND 59TH STREET AREA PIPELINE REPLACEMENT PROJECT (SPECIFICATION 1848)**

DATE: January 17, 2025

CC: Sydney Morrison (w/attachment), Cynthia Mouser (w/o attachment), Warren Huang (w/o attachment), Francisco Lopez (w/o attachment), Jessica Calva (w/attachment), Laserfiche 

BACKGROUND:

On August 27, 2024, Staff issued a public Request for Proposals (RFPs) through its PlanetBids system for professional design services for Specification 1848, Engineering Design Services for the 58th and 59th Street Area Pipeline Replacement Project. The scope of work includes utility research, development of construction documents, bid phase assistance, and preparation of record drawings.

On September 17, 2024, nine (9) responses to the RFP were received from the following firms:

1. Burns & McDonnell Western Enterprises
2. Engineering Resources of Southern California, Inc.
3. Hunsaker & Associates
4. Ludwig Engineering Associates, Inc.
5. Pacific Advanced Civil Engineering, Inc.
6. SA Associates
7. Tait & Associates, Inc.
8. TKE Engineering, Inc.
9. West & Associates Engineering, Inc.

After reviewing and ranking the proposals, the staff determined that TKE Engineering, Inc. (TKE) received the highest overall score. TKE has extensive experience with similar pipeline projects and demonstrated a comprehensive understanding of the project requirements in its proposal. Therefore, the staff recommends awarding TKE a Professional Services Agreement for *Engineering Design Services for the 58th and 59th Street Area Pipeline Replacement Project*. Please refer to the attached documents for the Request for Proposal and the Fee Schedule.

January 15, 2025

SUBJECT: APPROVAL OF A PROFESSIONAL SERVICES AGREEMENT BETWEEN THE SAN BERNARDINO MUNICIPAL WATER DEPARTMENT AND TKE ENGINEERING, INC. FOR ENGINEERING DESIGN SERVICES FOR THE 58TH AND 59TH STREET AREA PIPELINE REPLACEMENT PROJECT (SPECIFICATION 1848)

GOALS AND OBJECTIVES:

Approval of a professional services agreement for the *Engineering Design Services for the 58th and 59th Street Pipeline Replacement Project* aligns with the Department's Strategic Plan under Target 2, Infrastructure/Efficiencies; Goal #4, Address the Department's Infrastructure by replacing existing aging and undersized water mains.

FISCAL IMPACT:

The funding source for this project is from the FY 2024/2025 Water Fund Capital Improvement Budget. The Construction Order (CO 11164/C2511164) has \$350,000.00 in unencumbered funds to design the pipeline replacement project.

RECOMMENDATION:

It is recommended that the Water Board make the following motion:

- **Approve the Professional Services Agreement with TKE Engineering, Inc. for *Engineering Design Services for 58th and 59th Street Area Pipeline Replacement Project*, for an amount not-to-exceed ONE HUNDRED NINETY-SIX THOUSAND FIVE HUNDRED SEVENTY-SIX DOLLARS AND 00/100 (\$196,576.00); and authorize the General Manager to execute the agreement.**

Respectfully submitted,



Steve Miller (Jan 21, 2025 08:55 PST)

Steve R. Miller
Director of Water Utility

FL:vg

Attachment: Proposal
Fee Schedule

**DESIGN SERVICES AGREEMENT
BETWEEN THE CITY OF SAN BERNARDINO, THROUGH THE SAN BERNARDINO
MUNICIPAL WATER DEPARTMENT,
AND TKE ENGINEERING, INC.
CONTRACT NO. 1848**

1. PARTIES AND DATE.

This Agreement is made and entered into as of February , 2025, by and between the City of San Bernardino, a charter city and municipal corporation organized and operating under the laws of the State of California, through the San Bernardino Municipal Water Department with its principal place of business at 1350 S. "E" Street, San Bernardino, CA 92408 ("City"), and TKE Engineering, Inc., a California Corporation with its principal place of business at 2305 Chicago Ave, Riverside, CA 92507 (hereinafter referred to as "Designer"). City and Designer are hereinafter sometimes referred to individually as "Party" and collectively as the "Parties."

2. RECITALS.

2.1 City. City is a municipal corporation organized under the laws of the State of California, with power to contract for services necessary to achieve its purpose.

2.2 Designer. Designer desires to perform and assume responsibility for the provision of certain professional design services required by the City on the terms and conditions set forth in this Agreement. Designer warrants that it is fully licensed, qualified, and willing to perform the services required by this Agreement; provided, however, that if Designer is a corporation or other organization, the Project Designer designated pursuant to Section 3.2, and not the Designer itself, shall be fully licensed to practice as an architect and/or engineer in the State of California.

2.3 Project. City desires to engage Designer to render such services for the **58TH AND 59TH STREET AREA PIPELINE REPLACEMENT PROJECT** ("Project") as set forth in this Agreement.

3. TERMS

3.1 Employment of Designer.

3.1.1 Scope of Services. Designer promises and agrees to furnish to City all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately supply the professional design and related services necessary for the full and adequate completion of the Project consistent with the provisions of this Agreement (hereinafter referred to as "Services"). The Services are more particularly described throughout this Agreement, including Exhibit "A" attached hereto and incorporated herein by reference. All Services shall be subject to, and performed in accordance with, this Agreement, any exhibits attached hereto and incorporated herein by reference, and all applicable local, state and federal laws, rules and regulations. All Services performed by Designer shall be subject to the sole and discretionary approval of the City, which approval shall not be unreasonably withheld.

3.1.2 Term. The term of this Agreement shall be from February 11, 2025 to **November 9, 2026**, unless earlier terminated as provided herein. Consultant shall complete the Services within the term of this Agreement, and shall meet any other established schedules and deadlines.

3.2 Project Designer; Key Personnel.

3.2.1 Project Designer. Designer shall name a specific individual to act as Project Designer, subject to the approval of City. Designer hereby designates **Terry Renner, P.E., P.L.S., Q.S.D.** (License No. **69984**) to act as the Project Designer for the Project. The Project Designer shall: (1) maintain oversight of the Services; (2) have full authority to represent and act on behalf of the Designer for all purposes under this Agreement; (3) supervise and direct the Services using his or her best skill and attention; (4) be responsible for the means, methods, techniques, sequences and procedures used for the Services; (5) adequately coordinate all portions of the Services; and (6) act as principal contact with City and all contractors, consultants, engineers and inspectors on the Project. Any change in the Project Designer shall be subject to the City's prior written approval, which approval shall not be unreasonably withheld. The new Project Designer shall be of at least equal competence as the prior Project Designer. In the event that City and Designer cannot agree as to the substitution of a new Project Designer, City shall be entitled to terminate this Agreement for cause.

3.2.2 Key Personnel. In addition to the Project Designer, Designer has represented to the City that certain additional key personnel, engineers and consultants will perform the Services under this Agreement. Should one or more of such personnel, engineers or consultants become unavailable, Designer may substitute others of at least equal competence upon written approval of the City. In the event that City and Designer cannot agree as to the substitution of key personnel, engineers or consultants, City shall be entitled to terminate this Agreement for cause. As discussed below, any personnel, engineers or consultants who fail or refuse to perform the Services in a manner acceptable to the City, or who are determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project or a threat to the safety of persons or property, shall be promptly removed from the Project by the Designer at the request of the City.

3.3 Hiring of Consultants and Personnel.

3.3.1 Right to Hire or Employ. Designer shall have the option, unless City objects in writing after notice, to employ at its expense architects, engineers, experts or other consultants qualified and licensed to render services in connection with the planning and/or administration of the Project, and to delegate to them such duties as Designer may delegate without relieving Designer from administrative or other responsibility under this Agreement. Designer shall be responsible for the coordination and cooperation of Designer's architects, engineers, experts or other consultants. All consultants, including changes in consultants, shall be subject to approval by City in its sole and reasonable discretion. Designer shall notify City of the identity of all consultants at least fourteen (14) days prior to their commencement of work to allow City to review their qualifications and approve to their participation on the Project in its sole and reasonable discretion.

3.3.2 Qualification and License. All architects, engineers, experts and other consultants retained by Designer in performance of this Agreement shall be qualified to perform the Services assigned to them, and shall be licensed to practice in their respective professions, where required by law.

3.3.3 Standards and Insurance. All architects, engineers, experts and other consultants hired by Designer shall be required to meet all of the same standards and insurance requirements set forth in this Agreement, unless other standards or requirements are approved by the City in writing. Unless changes are approved in writing by the City, Designer's agreements with its consultants shall contain a provision making them subject to all provisions stipulated in this Agreement.

3.3.4 Assignments or Staff Changes. Designer shall promptly obtain written City approval of any assignment, reassignment or replacement of such architects, engineers, experts and consultants, or of other staff changes of key personnel working on the Project. As provided in the Agreement, any changes in Designer's consultants and key personnel shall be subject to approval by City.

3.3.5 Draftsman and Clerical Support. Draftsmen and clerical personnel shall be retained by Designer at Designer's sole expense.

3.4 Standard of Care.

3.4.1 Standard of Care. Designer shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals qualified to perform the Services in the same discipline in the State of California, and shall be responsible to City for damages sustained by the City and delays to the Project as specified in the indemnification provision of this Agreement. Without limiting the foregoing, Designer shall be fully responsible to the City for any increased costs incurred by the City as a result of any such delays in the design or construction of the Project. Designer represents and maintains that it is skilled in the professional calling necessary to perform the Services. Designer warrants and represents that all of its employees, architects, engineers, experts and other consultants shall have sufficient skill and experience to perform the Services assigned to them. Finally, Designer represents that it, its employees, architects, engineers, experts and other consultants have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services assigned to or rendered by them and that such licenses and approvals shall be maintained throughout the term of this Agreement. As provided for in the indemnification provisions of this Agreement, Designer shall perform, at its own cost and expense and without reimbursement from the City, any services necessary to correct errors or omissions which are caused by the Designer's failure to comply with the standard of care provided for herein.

3.4.2 Performance of Employees. Any employee or consultant who is determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, a threat to the safety of persons or property, or any employee or consultant who fails or refuses to perform the Services in a manner acceptable to the City, shall be promptly removed from the Project by the Designer and shall not be re-employed to perform any of the Services or to work on the Project.

3.5 Laws and Regulations.

3.5.1 Knowledge and Compliance. Designer shall keep itself fully informed of and in compliance with all applicable local, state and federal laws, rules and regulations in any manner affecting the performance of the Services or the Project, and shall give all notices required of the Designer by law. Designer shall be liable, pursuant to the standard of care and indemnification provisions of this Agreement, for all violations of such laws and regulations in connection with its Services. If the Designer performs any work knowing it to be contrary to such laws, rules and regulations, Designer shall be solely responsible for all costs arising therefrom. Designer shall defend, indemnify and hold City, its officials, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.5.2 Drawings and Specifications. Designer shall cause all drawings and specifications to conform to any applicable requirements of federal, state and local laws, rules and regulations, including the Uniform Building Code, in effect as of the time the drawings and specifications are prepared or revised during the latest phase of the Services described in Exhibit "A" attached hereto. Any significant revisions made necessary by changes in such laws, rules and regulations after this time may be compensated as Additional Services, which were not known or reasonably should not have been known by Designer. Designer shall cause the necessary copies of such drawings and specifications to be filed with any governmental bodies with approval jurisdiction over the Project, in accordance with the Services described in Exhibit "A" attached hereto. For the preparation of all such drawings and specifications, the Designer shall use Computer Aided Design Drafting ("CADD") (e.g., AutoCAD) or other technology acceptable to the Designer and City.

3.5.3 Americans with Disabilities Act. Designer will use its best professional efforts to interpret all applicable federal, state and local laws, rules and regulations with respect to access, including those of the Americans with Disabilities Act ("ADA"). Designer shall inform City of the existence of inconsistencies of which it is aware or reasonably should be aware between federal and state accessibility laws, rules and regulations, as well as any other issues, which are subject to conflicting interpretations of the law, and shall provide the City with its interpretation of such inconsistencies and conflicting interpretations. Unless Designer brings such inconsistencies and conflicting interpretations to the attention of the City and requests City's direction on how to proceed, the Designer's interpretation of such inconsistencies and conflicting interpretations shall be the sole responsibility and liability of Designer, and the Designer shall correct all plans, specifications and other documents prepared for the Project at no additional cost if its interpretations are shown to be incorrect. In the event that the Designer request's City's direction on how to proceed with respect to any inconsistent and/or conflicting interpretation, the Designer shall be responsible to the City only pursuant to the indemnification provisions of this Agreement.

3.5.4 Permits, Approvals and Authorizations. Designer shall provide City with a list of all permits, approvals or other authorizations required for the Project from all federal, state or local governmental bodies with approval jurisdiction over the Project. Designer shall then assist the City in obtaining all such permits, approvals and other authorizations. The costs of such permits, approvals and other authorizations shall be paid by the City.

3.5.5 Water Quality Management and Compliance.

(a) Compliance with Water Quality Laws, Ordinances and Regulations.

Designer shall keep itself and all subcontractors, staff, and employees fully informed of and in compliance with all local, state and federal laws, rules and regulations that may impact, or be implicated by the performance of the Services including, without limitation, all applicable provisions of the City's ordinances regulating water quality and storm water; the Federal Water Pollution Control Act (33 U.S.C. § 1251 *et seq.*); the California Porter-Cologne Water Quality Control Act (Cal Water Code §§ 13000-14950); and any and all regulations, policies, or permits issued pursuant to any such authority. Designer shall additionally comply with the lawful requirements of the City, and any other municipality, drainage district, or other local agency with jurisdiction over the location where the Services are to be conducted, regulating water quality and storm water discharges.

(b) Standard of Care. Designer warrants that all employees and subcontractors shall have sufficient skill and experience to perform the work assigned to them without impacting water quality in violation of the laws, regulations and policies described in Sections 3.5.5(a) of this Agreement. Designer further warrants that it, its employees and subcontractors will receive adequate training, as determined by the City, regarding these requirements as they may relate to the Services.

(c) Liability for Non-compliance.

(i) Indemnity: Failure to comply with laws, regulations, and ordinances listed in Sections 3.5.5(a) of this Agreement is a violation of federal and state law. Notwithstanding any other indemnity contained in this Agreement, Designer agrees to indemnify and hold harmless the City, its officials, officers, agents, employees and authorized volunteers from and against any and all claims, demands, losses or liabilities of any kind or nature which the City, its officials, officers, agents, employees and authorized volunteers may sustain or incur for noncompliance with the laws, regulations, and ordinances listed above, arising out of or in connection with the Services, except for liability resulting from the sole established negligence, willful misconduct or active negligence of the City, its officials, officers, agents, employees or authorized volunteers.

(ii) Defense: City reserves the right to defend any enforcement action or civil action brought against the City for Designer's failure to comply with any applicable water quality law, regulation, or policy. Designer hereby agrees to be bound by, and to reimburse the City for the costs associated with, any settlement reached between the City and the relevant enforcement entity.

(iii) Damages: City may seek damages from Designer for delay in completing the Services caused by Designer's failure to comply with the laws, regulations and policies described in Section 3.5.5(a) of this Agreement, or any other relevant water quality law, regulation, or policy.

3.6 **Independent Contractor.**

3.6.1 Control and Payment of Subordinates. City retains Designer on an independent contractor basis and Designer is not an employee of City. Designer is not an employee for state tax, federal tax or any other purpose, and is not entitled to the rights or benefits afforded to City's employees. Any additional personnel performing the Services under this Agreement on behalf of Designer shall also not be employees of City, and shall at all times be under Designer's exclusive direction and control. Designer shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Designer shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

3.7 Schedule of Services.

3.7.1 Designer Services. Designer shall fully and adequately complete the Services described in this Agreement and in Exhibit "A" attached hereto and incorporated herein by reference.

3.7.2 Timely Performance Standard. Designer shall perform all Services hereunder as expeditiously as is consistent with professional skill and care, as well as the orderly progress of the Project work so as not to be the cause, in whole or in part, of delays in the completion of the Project or in the achievement of any Project milestones, as provided herein. Specifically, Designer shall perform its Services so as to allow for the full and adequate completion of the Project within the time required by the City and within any completion schedules adopted for the Project. Designer agrees to coordinate with City's staff, contractors and consultants in the performance of the Services, and shall be available to City's staff, contractors and consultants at all reasonable times.

3.7.3 Performance Schedule. Designer shall prepare an estimated time schedule for the performance of Designer's Services, to be adjusted as the Project proceeds. Such schedule shall be subject to the City's review and approval, which approval shall not be unreasonably withheld, and shall include allowances for periods of time required for City's review and approval of submissions, and for approvals of authorities having jurisdiction over Project approval and funding. If City and Designer cannot mutually agree on a performance schedule, City shall have the authority to immediately terminate this Agreement. The schedule shall not be exceeded by Designer without the prior written approval of City. If the Designer's Services are not completed within the time provided by the agreed upon performance schedule, or any milestones established therein, it is understood, acknowledged and agreed that the City will suffer damage for which the Designer will be responsible pursuant to the indemnification provision of this Agreement.

3.7.4 Excusable Delays. Any delays in Designer's work caused by the following shall be added to the time for completion of any obligations of Designer: (1) the actions of City or its employees; (2) the actions of those in direct contractual relationship with City; (3) the actions of any governmental agency having jurisdiction over the Project; (4) the actions of any parties not within the reasonable control of the Designer; and (5) any act of God or other unforeseen occurrence not due to any fault or negligence on the part of Designer. Neither the City nor the Designer shall be liable for damages, liquidated or otherwise, to the other on account of such delays.

3.7.5 Request for Excusable Delay Credit. The Designer shall, within fifteen (15) calendar days of the beginning of any excusable delay, notify the City in writing of the causes of delay (unless City grants in writing a further period of time to file such notice prior to the date of final payment under the Agreement). City will then ascertain the facts and the extent of the delay, and grant an extension of time for completing the Services when, in its sole judgment, the findings of fact justify such an extension. The City's findings of fact thereon shall be final and conclusive on the parties. Extensions of time shall apply only to that portion of the Services affected by the delay and shall not apply to other portions of the Services not so affected. The sole remedy of Designer for extensions of time shall be an extension of the performance time at no cost to the City. If Additional Services are required as a result of an excusable delay, the parties shall mutually agree thereto pursuant to the Additional Services provision of this Agreement. Should Designer make an application for an extension of time, Designer shall submit evidence that the insurance policies required by this Agreement remain in effect during the requested additional period of time.

3.8 Additional Designer Services.

3.8.1 Request for Services. At City's request, Designer may be asked to perform services not otherwise included in this Agreement, not included within the basic services listed in Exhibit "A" attached hereto, and/or not customarily furnished in accordance with generally accepted design practice.

3.8.2 Definition. As used herein, "Additional Services" mean: (1) any work which is determined by City to be necessary for the proper completion of the Project, but which the parties did not reasonably anticipate would be necessary for the Designer to perform at the execution of this Agreement; or (2) any work listed as Additional Services in Exhibit "A" attached hereto. Designer shall not perform, nor be compensated for, Additional Services without prior written authorization from City and without an agreement between the City and Designer as to the compensation to be paid for such services. City shall pay Designer for any approved Additional Services, pursuant to the compensation provisions herein, so long as such services are not made necessary through the fault of Designer pursuant to the indemnification provision of this Agreement.

3.8.3 Examples of Additional Services. Such Additional Services shall not include any redesign or revisions to drawings, specifications or other documents when such revisions are necessary in order to bring such documents into compliance with applicable laws, rules, regulations or codes of which Designer was aware or should have been aware pursuant to the laws and regulations provision of this Agreement above. Such Additional Services may include, but shall not be limited to:

(a) Separately Bid Portions of Project. Plan preparation and/or administration of work on portions of the Project separately bid.

(b) Fault of Contractor. Services caused by delinquency, default or insolvency of contractor, or by major defects in the work of the contractor, provided that any such services made necessary by the failure of Designer to detect and report such matters when it reasonably should have done so shall not be compensated.

(c) Inconsistent Approvals or Instructions. Revisions in drawings, specifications or other documents when such revisions are inconsistent with written approvals or instructions previously given and are due to causes beyond the control of Designer.

(d) Legal Proceedings. Serving as an expert witness on City's behalf or attending legal proceedings to which the Designer is not a party.

(e) Damage Repair. Supervision of repair of damages to any structure.

(f) Extra Environmental Services. Additional work required for environmental conditions (e.g. asbestos or site conditions) not already contemplated within the Designer's services for the Project.

3.9 City Responsibilities. City's responsibilities shall include the following:

3.9.1 Data and Information. City shall make available to Designer all necessary data and information concerning the purpose and requirements of the Project, including scheduling and budget limitations, objectives, constraints and criteria. As part of the budget limitation information, the City shall provide the Designer with a preliminary construction budget ("City's Preliminary Construction Budget").

3.9.2 Bid Phase. Distribute Construction Documents to bidders and conduct the opening and review of bids for the Project.

3.9.3 Fees of Reviewing or Licensing Agencies. Directly pay or reimburse the payment of all fees required by any reviewing or licensing agency, or other agency having approval jurisdiction over the Project.

3.9.4 City's Representative. The City hereby designates the General Manager of the City of San Bernardino Municipal Water Department, or his or her designee, to act as its representative for the performance of this Agreement ("City's Representative"). City's Representative shall have the power to act on behalf of the City for all purposes under this Contract. Contractor shall not accept direction or orders from any person other than the City's Representative or his or her designee.

3.9.5 Review and Approved Documents. Review all documents submitted by Designer, including change orders and other matters requiring approval by the Water Board or other officials. City shall advise Designer of decisions pertaining to such documents within a reasonable time after submission, so as not to cause unreasonable delay as provided in the excusable delay provisions of this Agreement above.

3.10 Compensation.

3.10.1 Designer's Compensation for Basic Services. City shall pay to Designer, for the performance of all Services rendered under this Agreement, the total not to exceed amount of **ONE HUNDRED NINETY-SIX THOUSAND FIVE HUNDRED SEVENTY-SIX AND 00/100 DOLLARS (\$196,576.00** "Total Compensation"). This Total Compensation amount shall be based upon, and may be adjusted according to, the fee schedule and related terms and conditions

attached hereto as Exhibit "A" and incorporated herein by reference. The Total Compensation, as may be adjusted upon mutual agreement, shall constitute complete and adequate payment for Services under this Agreement.

3.10.2 Payment for Additional Services. At any time during the term of this Agreement, City may request that Designer perform Additional Services. As used herein, Additional Services means any work which is determined by City to be necessary for the proper completion of the Project, but which the Parties did not reasonably anticipate would be necessary at the execution of this Agreement. Any additional work in excess of this amount must be approved by the City. If authorized, such Additional Services will be compensated at the rates agreed upon by the parties. If City requires Designer to hire consultants to perform any Additional Services, Designer shall be compensated therefore at the rates agreed upon by the parties. City shall have the authority to review and approve the rates of any such consultants. In addition, Designer shall be reimbursed for any expenses incurred by such consultants pursuant to the terms and conditions of Section 3.10.3.

3.10.3 Reimbursable Expenses. Reimbursable expenses are in addition to compensation for the Services and Additional Services. Designer shall not be reimbursed for any expenses unless authorized in writing by City. Such reimbursable expenses shall include only those expenses which are reasonably and necessarily incurred by Designer in the interest of the Project. Designer shall be required to acquire prior written consent in order to obtain reimbursement for the following: (1) extraordinary transportation expenses incurred in connection with the Project; (2) out-of-town travel expenses incurred in connection with the Project; (3) fees paid for securing approval of authorities having jurisdiction over the Project; (4) bid document duplication costs in excess of \$1,000; and (5) other costs, fees and expenses in excess of \$1,000.

3.10.4 Payment to Designer. Designer's compensation and reimbursable expenses shall be paid by City to Designer no more often than monthly. Such periodic payments shall be made based upon the percentage of work completed, and in accordance with the phasing and funding schedule provided in Exhibit "A" attached hereto and incorporated herein by reference. In order to receive payment, Designer shall present to City an itemized statement which indicates Services performed, percentage of Services completed, method for computing the amount payable, and the amount to be paid at the address listed in Section 3.29. The statement shall describe the amount of Services provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the statement, as well as those expenses for which reimbursement is requested for that statement period. The amount paid to Designer shall never exceed the percentage amounts authorized by the phasing and funding schedule located in Exhibit "A" attached hereto. City shall, within forty-five (45) days of receiving such statement, review the statement and pay all approved charges thereon pursuant to the provisions of Civil Code Section 3320. Disputed amounts shall be resolved by the parties in a mutually agreeable manner.

Payments made for Additional Services shall be made in installments, not more often than monthly, proportionate to the degree of completion of such services or in such other manner as the parties shall specify when such services are agreed upon, and in accordance with any authorized fee or rate schedule. In order to receive payment, Designer shall present to City an itemized statement which indicates the Additional Services performed, percentage of Additional Services

completed, method for computing the amount payable, and the amount to be paid. The statement shall describe the amount of Additional Services provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the statement. City shall, within forty-five (45) days of receiving such statement, review the statement and pay all approved charges thereon pursuant to the provisions of Civil Code Section 3320. Disputed amounts shall be resolved by the parties in a mutually agreeable manner.

Upon cancellation or termination of this Agreement, Designer shall be compensated as set forth in the termination provision herein.

3.10.5 Withholding Payment to Designer. The City may withhold payment, in whole or in part, to the extent reasonably necessary to protect the City from claims, demands, causes of action, costs, expenses, liabilities, losses, damages, or injuries of any kind to the extent arising out of or caused by the negligence, recklessness, or willful misconduct protected under the indemnification provisions of this Agreement. Failure by City to deduct any sums from a progress payment shall not constitute a waiver of the City's right to such sums. The City may keep any moneys which would otherwise be payable at any time hereunder and apply the same, or so much as may be necessary therefor, to the payment of any expenses, losses, or damages as determined by the City, incurred by the City for which Designer is liable under the Agreement or state law. Payments to the Designer for compensation and reimbursable expenses due shall not be contingent on the construction, completion or ultimate success of the Project. Payment to the Designer shall not be withheld, postponed, or made contingent upon receipt by the City of offsetting reimbursement or credit from parties not within the Designer's reasonable control.

3.10.6 Prevailing Wages. Designer is aware of the requirements of California Labor Code Sections 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. If the Services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Designer agrees to fully comply with and to require its consultants to fully comply with such Prevailing Wage Laws. Designer shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure of the Designer or its consultants to comply with the Prevailing Wage Laws. It shall be mandatory upon the Designer and all subconsultants to comply with all California Labor Code provisions, which include but are not limited to prevailing wages (Labor Code Sections 1771, 1774 and 1775), employment of apprentices (Labor Code Section 1777.5), certified payroll records (Labor Code Sections 1771.4 and 1776), hours of labor (Labor Code Sections 1813 and 1815) and debarment of contractors and subcontractors (Labor Code Section 1777.1). The requirement to submit certified payroll records directly to the Labor Commissioner under Labor Code section 1771.4 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Section 1771.4.

3.10.7 Registration. If the Services are being performed as part of an applicable "public works" or "maintenance" project, then pursuant to Labor Code Sections 1725.5 and 1771.1, the Designer and all subconsultants performing such Services must be registered with the

Department of Industrial Relations. Designer shall maintain registration for the duration of the Project and require the same of any subconsultants, as applicable. Notwithstanding the foregoing, the contractor registration requirements mandated by Labor Code Sections 1725.5 and 1771.1 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Sections 1725.5 and 1771.1.

3.10.8 Labor Compliance. This Project may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Designer's sole responsibility to comply with all applicable registration and labor compliance requirements. Any stop orders issued by the Department of Industrial Relations against Designer or any subcontractor that affect Designer's performance of Services, including any delay, shall be Designer's sole responsibility. Any delay arising out of or resulting from such stop orders shall be considered Designer caused delay and shall not be compensable by the City. Designer shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claim or liability arising out of stop orders issued by the Department of Industrial Relations against Designer or any subcontractor.

3.11 Notice to Proceed.

Designer shall not proceed with performance of any Services under this Agreement unless and until the City provides a written notice to proceed.

3.12 Termination, Suspension and Abandonment.

3.12.1 Grounds for Termination: Designer's Termination for Cause. City hereby reserves the right to suspend or abandon, at any time and for any reason, all or any portion of the Project and the construction work thereon, or to terminate this Agreement at any time with or without cause. Designer shall be provided with at least seven (7) days advanced written notice of such suspension, abandonment or termination. In the event of such suspension, abandonment or termination, Designer shall be paid for Services and reimbursable expenses rendered up to the date of such suspension, abandonment or termination, pursuant to the schedule of payments provided for in this Agreement, less any claims against or damages suffered by City as a result of the default, if any, by Designer. Designer hereby expressly waives any and all claims for damages or compensation arising under this Agreement, except as set forth herein, in the event of such suspension, abandonment or termination. Designer may terminate this Agreement for substantial breach of performance by the City such as failure to make payment to Designer as provided in this Agreement.

3.12.2 City's Suspension of Work. If Designer's Services are suspended by City, City may require Designer to resume such Services within ninety (90) days after written notice from City. When the Project is resumed, the Total Compensation and schedule of Services shall be equitably adjusted upon mutual agreement of the City and Designer.

3.12.3 Documents and Other Data. Upon suspension, abandonment or termination, Designer shall provide to City all preliminary studies, sketches, working drawings, specifications, computations, and all other Project Documents, as defined below, to which City would have been entitled at the completion of Designer's Services under this Agreement. Upon

payment of the amount required to be paid to Designer pursuant to the termination provisions of this Agreement, City shall have the rights, as provided in this Agreement hereinafter, to use such Project Documents prepared by or on behalf of Designer under this Agreement. Designer shall make such documents available to City upon request and without additional compensation other than as may be approved as a reimbursable expense.

3.12.4 Employment of other Designers. In the event this Agreement is terminated in whole or in part as provided herein, City may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

3.13 Ownership and Use of Documents; Confidentiality.

3.13.1 Ownership. All plans, specifications, original or reproducible transparencies of working drawings and master plans, preliminary sketches, design presentation drawings, structural computations, estimates and any other documents prepared pursuant to this Agreement, including, but not limited to, any other works of authorship fixed in any tangible medium of expression such as writings, physical drawings and data magnetically or otherwise recorded on computer diskettes (hereinafter referred to as the "Project Documents") shall be and remain the property of City. Although the official copyright in all Project Documents shall remain with the Designer or other applicable subcontractors or consultants, the Project Documents shall be the property of City whether or not the work for which they were made is executed or completed. Within thirty (30) calendar days following completion of the Project, Designer shall provide to City copies of all Project Documents required by City. In addition, Designer shall retain copies of all Project Documents on file for a minimum of fifteen (15) years following completion of the Project, and shall make copies available to City upon the payment of reasonable duplication costs. Before destroying the Project Documents following this retention period, Designer shall make a reasonable effort to notify City and provide City with the opportunity to obtain the documents.

3.13.2 Right to Use. Designer grants to City the right to use and reuse all or part of the Project Documents, at City's sole discretion and with no additional compensation to Designer, for the following purposes:

- (a) The construction of all or part of this Project.
- (b) The repair, renovation, modernization, replacement, reconstruction or expansion of this Project at any time;
- (c) The construction of another project by or on behalf of the City for its ownership and use;

City is not bound by this Agreement to employ the services of Designer in the event such documents are used or reused for these purposes. City shall be able to use or reuse the Project Documents for these purposes without risk of liability to the Designer or third parties with respect to the condition of the Project Documents, and the use or reuse of the Project Documents for these purposes shall not be construed or interpreted to waive or limit City's right to recover for latent defects or for errors or omissions of the Designer.

Any use or reuse by City of the Project Documents on any project other than this Project without employing the services of Designer shall be at City's own risk with respect to third parties. If City uses or reuses the Project Documents on any project other than this Project, it shall remove the Designer's seal from the Project Documents and hold harmless Designer and its officers, directors, agents and employees from claims arising out of the negligent use or re-use of the Project Documents on such other project.

3.13.3 License. This Agreement creates a non-exclusive and perpetual license for City to copy, use, modify or reuse any and all Project Documents and any intellectual property rights therein. Designer shall require any and all subcontractors and consultants to agree in writing that City is granted a non-exclusive and perpetual license for the work of such subcontractors or consultants performed pursuant to this Agreement.

3.13.4 Right to License. Designer represents and warrants that Designer has the legal right to license any and all copyrights, designs and other intellectual property embodied in the Project Documents that Designer prepares or causes to be prepared pursuant to this Agreement. Designer shall indemnify and hold City harmless pursuant to the indemnification provisions of this Agreement for any breach of this Section. Designer makes no such representation and warranty in regard to previously prepared designs, plans, specifications, studies, drawings, estimates or other documents that were prepared by design professionals other than Designer and provided to Designer by City.

3.13.5 Confidentiality. All Project Documents, either created by or provided to Designer in connection with the performance of this Agreement, shall be held confidential by Designer to the extent they are not subject to disclosure pursuant to the Public Records Act. All Project Documents shall not, without the written consent of City, be used or reproduced by Designer for any purposes other than the performance of the Services. Designer shall not disclose, cause or facilitate the disclosure of the Project Documents to any person or entity not connected with the performance of the Services or the Project. Nothing furnished to Designer which is otherwise known to Designer or is generally known, or has become known, to the related industry shall be deemed confidential. Designer shall not use City's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television or radio production or other similar medium without the written consent of City.

3.14 Indemnification.

3.14.1 To the fullest extent permitted by law, Designer shall defend (with counsel of City's choosing), indemnify and hold the City, its officials, officers, employees, volunteers, and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any acts, errors or omissions, or willful misconduct of Designer, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Designer's services, the Project or this Agreement, including without limitation the payment of all damages, expert witness fees and attorney's fees and other related costs and expenses. Designer's obligation to indemnify shall not

be restricted to insurance proceeds, if any, received by Designer, the City, its officials, officers, employees, agents, or volunteers.

3.14.2 If Designer's obligation to defend, indemnify, and/or hold harmless arises out of Designer's performance of "design professional" services (as that term is defined under Civil Code section 2782.8), then, and only to the extent required by Civil Code section 2782.8, which is fully incorporated herein, Designer's indemnification obligation shall be limited to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Designer, and, upon Designer obtaining a final adjudication by a court of competent jurisdiction, Designer's liability for such claim, including the cost to defend, shall not exceed the Designer's proportionate percentage of fault.

3.15 Insurance. Designer shall not commence work under this Agreement until it has provided evidence satisfactory to the City that it has secured all insurance required under this Section. In addition, Designer shall not allow any subconsultant to commence work on any subcontract until it has provided evidence satisfactory to the City that the subconsultant has secured all insurance required under this section.

3.15.1 Types of Insurance Required. As a condition precedent to the effectiveness of this Agreement for work to be performed hereunder, and without limiting the indemnity provisions of the Agreement, Designer shall, at its expense, procure and maintain in full force and effect for the duration of the Agreement the following policies of insurance. If the existing policies do not meet the insurance requirements set forth herein, Designer agrees to amend, supplement or endorse the policies to do so.

3.15.2 Additional Insured. The City of San Bernardino, its officials, officers, employees, agents, and volunteers shall be named as additional insureds on Designer's and its subconsultants' policies of commercial general liability and automobile liability insurance using the endorsements and forms specified herein or exact equivalents.

3.15.3 Commercial General Liability

(a) The Designer shall take out and maintain, during the performance of all work under this Agreement, in amounts not less than specified herein, Commercial General Liability Insurance, in a form and with insurance companies acceptable to the City.

(b) Coverage for Commercial General Liability insurance shall be at least as broad as the following: Insurance Services Office Commercial General Liability coverage (Occurrence Form CG 00 01) or exact equivalent. Commercial General Liability Insurance must include coverage for the following:

- (1) Bodily Injury and Property Damage
- (2) Personal Injury/Advertising Injury
- (3) Premises/Operations Liability
- (4) Products/Completed Operations Liability

- (5) Aggregate Limits that Apply per Project
- (6) Explosion, Collapse and Underground (UCX) exclusion deleted
- (7) Contractual Liability with respect to this Contract
- (8) Broad Form Property Damage
- (9) Independent Consultants Coverage

(c) The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; (3) products/completed operations liability; or (4) contain any other exclusion contrary to the Agreement.

(d) The policy shall give City, the City Council and each member of the City Council, its officers, employees, agents and City designated volunteers additional insured status using ISO endorsement forms CG 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

(e) The general liability program may utilize either deductibles or provide coverage excess of a self-insured retention, subject to written approval by the City, and provided that such deductibles shall not apply to the City as an additional insured.

3.15.4 Automobile Liability

(a) At all times during the performance of the work under this Agreement, the Designer shall maintain Automobile Liability Insurance for bodily injury and property damage including coverage for owned, non-owned and hired vehicles, in a form and with insurance companies acceptable to the City.

(b) Coverage for automobile liability insurance shall be at least as broad as Insurance Services Office Form Number CA 00 01 covering automobile liability (Coverage Symbol 1, any auto).

(c) The policy shall give City, its elected and appointed officials, its officers, employees, agents and City designated volunteers additional insured status.

(d) Subject to written approval by the City, the automobile liability program may utilize deductibles, provided that such deductibles shall not apply to the City as an additional insured, but not a self-insured retention.

3.15.5 Workers' Compensation/Employer's Liability

(a) Designer certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that

code, and he/she will comply with such provisions before commencing work under this Agreement.

(b) To the extent Designer has employees at any time during the term of this Agreement, at all times during the performance of the work under this Agreement, the Designer shall maintain full compensation insurance for all persons employed directly by him/her to carry out the work contemplated under this Agreement, all in accordance with the "Workers' Compensation and Insurance Act," Division IV of the Labor Code of the State of California and any acts amendatory thereof, and Employer's Liability Coverage in amounts indicated herein. Designer shall require all subconsultants to obtain and maintain, for the period required by this Agreement, workers' compensation coverage of the same type and limits as specified in this Section.

3.15.6 Professional Liability (Errors and Omissions)

(a) At all times during the performance of the work under this Agreement the Designer shall maintain professional liability or Errors and Omissions insurance appropriate to its profession, in a form and with insurance companies acceptable to the City and in an amount indicated herein. This insurance shall be endorsed to include contractual liability applicable to this Agreement and shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the Designer. "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend.

3.15.7 Minimum Policy Limits Required

(a) The following insurance limits are required for the Agreement:

	<u>Combined Single Limit</u>
Commercial General Liability	\$1,000,000 per occurrence/ \$2,000,000 aggregate for bodily injury, personal injury, and property damage
Automobile Liability	\$1,000,000 per occurrence for bodily injury and property damage
Employer's Liability	\$1,000,000 per occurrence
Professional Liability	\$1,000,000 per claim and aggregate (errors and omissions)

(b) Defense costs shall be payable in addition to the limits.

(c) Requirements of specific coverage or limits contained in this Section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of

any coverage normally provided by any insurance. Any available coverage shall be provided to the parties required to be named as Additional Insured pursuant to this Agreement.

3.15.8 Evidence Required

(a) Prior to execution of the Agreement, the Designer shall file with the City evidence of insurance from an insurer or insurers certifying to the coverage of all insurance required herein. Such evidence shall include original copies of the ISO CG 00 01 (or insurer's equivalent) signed by the insurer's representative and Certificate of Insurance (Acord Form 25-S or equivalent), together with required endorsements. All evidence of insurance shall be signed by a properly authorized officer, agent, or qualified representative of the insurer and shall certify the names of the insured, any additional insureds, where appropriate, the type and amount of the insurance, the location and operations to which the insurance applies, and the expiration date of such insurance.

3.15.9 Policy Provisions Required

(a) Designer shall provide the City at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the Designer shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, the Designer shall deliver renewal certificate(s) including the General Liability Additional Insured Endorsement to the City at least ten (10) days prior to the effective date of cancellation or expiration.

(b) The Commercial General Liability Policy and Automobile Policy shall each contain a provision stating that Designer's policy is primary insurance and that any insurance, self-insurance or other coverage maintained by the City or any named insureds shall not be called upon to contribute to any loss.

(c) The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. Designer shall maintain such coverage continuously for a period of at least three years after the completion of the work under this Agreement. Designer shall purchase a one (1) year extended reporting period A) if the retroactive date is advanced past the effective date of this Agreement; B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

(d) All required insurance coverages, except for the professional liability coverage, shall contain or be endorsed to waiver of subrogation in favor of the City, its officials, officers, employees, agents, and volunteers or shall specifically allow Designer or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Designer hereby waives its own right of recovery against City, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

(e) The limits set forth herein shall apply separately to each insured against whom claims are made or suits are brought, except with respect to the limits of liability. Further, the limits set forth herein shall not be construed to relieve the Designer from liability in

excess of such coverage, nor shall it limit the Designer's indemnification obligations to the City and shall not preclude the City from taking such other actions available to the City under other provisions of the Agreement or law.

3.15.10 Qualifying Insurers

(a) All policies required shall be issued by acceptable insurance companies, as determined by the City, which satisfy the following minimum requirements: Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A:VII and admitted to transact in the business of insurance in the State of California, or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law.

3.15.11 Additional Insurance Provisions

(a) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Designer, and any approval of said insurance by the City, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Designer pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(b) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by City will be promptly reimbursed by Designer or City will withhold amounts sufficient to pay premium from Designer payments. In the alternative, City may cancel this Agreement.

(c) The City may require the Designer to provide complete copies of all insurance policies in effect for the duration of the Project.

(d) Neither the City nor the City Council, nor any member of the City Council, nor any of the elected and appointed officials, officers, employees, agents or volunteers shall be personally responsible for any liability arising under or by virtue of this Agreement.

3.15.12 Subconsultant Insurance Requirements

(a) Designer shall not allow any subcontractors or subconsultants to commence work on any subcontract until they have provided evidence satisfactory to the City that they have secured all insurance required under this Section. Policies of commercial general liability insurance provided by such subcontractors or subconsultants shall be endorsed to name the City as an additional insured using ISO form CG 20 38 04 13 or an endorsement providing the exact same coverage. If requested by Designer, City may approve different scopes or minimum limits of insurance for particular subcontractors or subconsultants.

3.16 Records.

Designer shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Designer shall allow a representative of City during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Designer shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of five (5) years from the date of final payment under this Agreement.

3.17 Limitation of Agreement.

This Agreement is limited to and includes only the work included in the Project described herein. Any additional or subsequent construction at the site of the Project, or at any other City site, will be covered by, and be the subject of, a separate Agreement for design services between City and the designer chosen therefor by City.

3.18 Mediation.

Disputes arising from this Agreement may be submitted to mediation if mutually agreeable to the parties hereto. The type and process of mediation to be utilized shall be subject to the mutual agreement of the parties.

3.19 Successors and Assigns.

This Agreement shall be binding upon and shall inure to the benefit of the successors in interest, executors, administrators and assigns of each party to this Agreement. However, Designer shall not assign or transfer by operation of law or otherwise any or all of its rights, burdens, duties or obligations without the prior written consent of City. Any attempted assignment without such consent shall be invalid and void.

3.20 Asbestos Certification.

Designer shall certify to City, in writing and under penalty of perjury, that to the best of its knowledge, information and belief no asbestos-containing material or other material deemed to be hazardous by the state or federal government was specified as a building material in any construction document that the Designer prepares for the Project. Designer shall require all consultants who prepare any other documents for the Project to submit the same written certification. Designer shall also assist the City in ensuring that contractors provide City with certification, in writing and under penalty of perjury, that to the best of their knowledge, information and belief no material furnished, installed or incorporated into the Project contains asbestos or any other material deemed to be hazardous by the state or federal government. These certifications shall be part of the final Project submittal. Designer shall include statements in its specifications that materials containing asbestos or any other material deemed to be hazardous by the state or federal government are not to be included.

3.21 No Third Party Rights.

This Agreement shall not create any rights in, or inure to the benefits of, any third party except as expressly provided herein.

3.22 Governing Law.

This Agreement shall be construed in accordance with, and governed by, the laws of the State of California. Venue shall be in San Bernardino County.

3.23 Exhibits and Recitals.

All exhibits and recitals contained herein and attached hereto are material parts of this Agreement and are incorporated as if fully set forth.

3.24 Severability.

Should any provision in the Agreement be held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall continue in full force and effect.

3.25 Non-Waiver.

None of the provisions of this Agreement shall be considered waived by either party, unless such waiver is specifically specified in writing.

3.26 Safety.

Designer shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Designer shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of its employees, consultant and subcontractors appropriate to the nature of the work and the conditions under which the work is to be performed.

3.27 Harassment Policy.

Designer shall provide a copy of the City's Harassment Policy to each of its employees assigned to perform the tasks under this Agreement. Designer shall submit to the City's representative a statement signed by each of its employees who are assigned to perform the Services under this Agreement certifying receipt of City's Harassment Policy and certifying that they have read the Harassment Policy. A finding by the City that any of Designer's employees has harassed a City employee shall be grounds for appropriate discipline, up to and including such employee's removal from performance of this Agreement at City's request.

3.28 Delivery of Notices.

All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

CITY:

DESIGNER:

City of San Bernardino
Municipal Water Department
P.O. Box 710
San Bernardino, California 92402
Attn: General Manager

TKE Engineering, Inc.
2305 Chicago Ave
Riverside, CA 92507

Attn: Terry Renner

With a Copy to:

City of San Bernardino
Vanir Tower, 290 North D Street
San Bernardino, CA 92401
Attn: City Attorney

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.29 Time of Essence.

Time is of the essence for each and every provision of this Agreement.

3.30 City's Right to Employ Other Consultants.

City reserves right to employ other consultants, including designers, in connection with this Project or other projects.

3.31 Prohibited Interests.

3.31.1 Solicitation. Designer maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Designer, to solicit or secure this Agreement. Further, Designer warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Designer, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability.

3.31.2 Conflict of Interest. For the term of this Agreement, no director, official, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

3.32 Equal Opportunity Employment.

Designer represents that it is an equal opportunity employer and that it shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex, age or any other classification protected by federal or state law. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Designer shall also comply with all relevant provisions of City's minority business enterprise program, affirmative action plan or other related programs or guidelines currently in effect or hereinafter enacted.

3.33 Labor Certification.

By its signature hereunder, Designer certifies that it is aware of the provisions of Section 3700 of the California Labor Code, which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

3.34 Subcontracting.

As specified in this Agreement, Designer shall not subcontract any portion of the Services required by this Agreement, except as expressly stated herein, without prior written approval of City. Subcontracts, if any, shall contain a provision making them subject to each and every provision of this Agreement.

3.35 Supplemental Conditions.

Any supplemental conditions shall be attached as an exhibit to this Agreement, and that exhibit shall be incorporated herein by reference.

3.36 Entire Agreement.

This Agreement, with its exhibits, contains the entire agreement of the parties hereto, and supersedes any and all other prior or contemporaneous negotiations, understandings and oral or written agreements between the parties hereto. Each party acknowledges that no representations, inducements, promises or agreements have been made by any person which are not incorporated herein, and that any other agreements shall be void. Furthermore, any modification of this Agreement shall only be effective if in writing signed by all parties hereto.

[SIGNATURES ON FOLLOWING PAGE]

**SIGNATURE PAGE FOR DESIGN SERVICES AGREEMENT
BETWEEN THE CITY OF SAN BERNARDINO, THROUGH THE SAN BERNARDINO
MUNICIPAL WATER DEPARTMENT,
AND TKE ENGINEERING, INC.
CONTRACT NO. 1848**

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

**CITY OF SAN BERNARDINO
SAN BERNARDINO MUNICIPAL
WATER DEPARTMENT**

TKE ENGINEERING, INC.

Approved By:

Miguel J. Guerrero
General Manager

Approved as to Form:

*****Approved Form*****
Best Best & Krieger LLP
City Attorney



Signature

TERRY RENNER

Name

Senior Vice President

Title

EXHIBIT A

Scope of Services

TASK NO.1-DEVELOPMENT OF CONSTRUCTION DOCUMENTS

TASK NO.1.1 SBMWD COORDINATION

TKE will coordinate with SBMWD staff to research all existing water system information including locations of water facilities, water mains, gate valves, connection points to new pipelines and services in the project areas. We will research all requirements associated with

easements, encroachment permits, parcel acquisitions and required rights-of-way.

TASK NO.1.2 PROFESSIONAL SURVEYING

We propose to use field survey to prepare the base construction drawings. Our field survey crew will locate existing street centerline monuments utilizing survey control data. The crew will measure the horizontal angle, horizontal distance, and vertical elevation difference

between each survey monument. We will complete a traverse for each survey to ensure closure. Utilizing GPS survey methods, two first order horizontal monuments will be established for each pipeline project associating the survey to the NAD 83, California State Plane Coordinate System, Zone 5, Epoch 2011.0. The monuments will be adjusted to the California High- Precision Geodetic Network and its densification stations. Elevations will be tied to existing City benchmarks based on the NGVD 88 Datum. In addition, we will measure sewer and storm drain inverts. The survey will collect appropriate detail 25 feet beyond property lines and a minimum of 100 feet beyond the project site. A field reconnaissance will be performed as needed as required to ensure all water valves, manholes, and water meters were accurately collected that may impact the construction of the proposed water system.

TASK NO.1.3 UTILITY RESEARCH/COORDINATION

We will thoroughly research existing utility records and acquire copies of all available records. The purpose of the records research is to assemble survey records to establish locations of street centerlines and rights-of-way and determine locations of all existing utilities and improvements.

The research will consist of assembling copies of assessors' maps, tract maps, parcel maps, monument ties, benchmark data, corner records, street improvement plans, and utility drawings. We will notify Underground Service Alert to acquire a complete list of underground utility purveyors. The utility drawings will include existing drawings from SBMWD, and drawings and/or atlas maps from all private utility companies, and/or agencies. We will send letters to utility companies and agencies requesting their data. We will maintain copies of the letters for future reference.

TASK NO. 1.4 GEOTECHNICAL SERVICES

Aragon Geotechnical, Inc. will provide geotechnical services. They will complete one (1) geotechnical boring per 1,000 linear feet of pipeline or a minimum of one (1) geotechnical boring per street. The borings shall be done to a depth of five (5) feet to determine the existing

roadway section and subgrade soil type. In addition, we will prepare a summary table that will be included on the plans.

TASK NO. 1.5 PERMIT ACQUISITION

After the 60% design review meeting, TKE will begin application preparation for required permits. Applicable permits include:

- City of San Bernardino Encroachment Permit- Encroachment permit from the City of San Bernardino will be required for areas within the City's current limits for construction of improvements.

TASK NO. 1.6 POTHOLING

Below will provide potholing excavation services for the project. They will submit a request to Underground Service Alert (USA) to notify USA members to attend a field meeting to review locations to be excavated. TKE will mark critical utility locations as defined by TKE and

approved by SBMWD staff, in the field. We propose to only excavate those facilities that would have a significant impact on pipeline profile design. At a minimum 28 potholes will be performed based on the requirements established in the RFP. A pothole will measure 1' x 1' x 5'

to 10' deep. We will conduct a field meeting to request that utility representatives mark their facilities within specified locations. We will document meeting attendees for future reference. C Below will arrange for excavation of the interferences and measure all utilities that are

excavated to record their horizontal and vertical alignments. We would then identify all facilities that require relocation, if any. In addition to the utility data, we will note the condition of existing pavement for design of replacement pavement sections.

TASK NO. 1.7 CONTRACT DOCUMENTS

TKE will attend a project kickoff meeting, progress meetings, coordination meeting and prepare plans and specifications as described below:

TASK NO. 1.7.1 BASE CONSTRUCTION DRAWINGS

We will prepare the base construction drawings on 22" by 34" sheets with the SBMWD's standard title block using AutoCAD 2015 software at a drawing scale of 1"=40'. The base construction drawings will include a plan view based on the survey data collected. We will add the sheet north arrow, graphic scale, existing improvements and utilities (based on both assembled records and

field data), property lines, public and private right-of-way, street centerline, street names, and survey data to the plan view

portion of the drawings. Once the base drawings are complete, we will perform a careful field review to ensure all underground facilities are shown correctly. Upon completion of the base construction drawings will identify utility crossings deemed critical for potholing purposes. We will review the list of utilities with SBMWD staff for acceptance and begin underground verification work.

T A S K N O . 1.7.2 60 % D E S I G N

The title sheet shall include the title of the job, a vicinity map showing the City in relationship to surrounding communities, a location map showing the project limits, sheet index map, benchmark data, and SBMWD and City Fire Certificates. Additional sheets will be prepared for general notes, construction notes, construction quantities, a list of abbreviations used, survey information and SBMWD legend as required by SBMWD standards. The construction notes will include requirements for notifications, existing utility protection and relocation, pipeline materials, excavation, improvement restoration, and existing waterline abandonment requirements, if any.

The plan/profile sheets will include the plan view showing digital topographic data, existing improvements and utilities, centerline control, proposed pipeline, and pipeline appurtenances (connections, air valves, main line valves, fire hydrants and blow offs). The profile (at a

drawing scale of 1" =40' horizontal and 1" =4' vertical) will show existing ground surface over the proposed pipeline, pipeline flow line, top of pipe, utility crossings, slopes, length of pipe, pipeline appurtenances, joint restraint requirements, and special bedding requirements all in

accordance with SBMWD standards. The construction detail sheets will include SBMWD

standard details, connections, appurtenance details, and abandonment details, all at appropriate drawing scales. The specifications shall be prepared in accordance with SBMWD standards and will be prepared in Microsoft Word format. After 60% design is complete, we will forward three

copies of the drawings (full size and half size) to SBMWD for review along with the specifications, construction schedule and engineer's estimate.

T A S K N O . 1.7.3 C O O R D I N A T I O N W I T H A G E N C I E S / U T I L I T I E S

After incorporating SBMWD comments, we will submit drawings to all agencies/utilities having underground facilities in the project area that may be affected by construction and request that they verify their facilities are shown correctly and that they furnish any construction requirements they desire. We will request that they respond within two weeks and we will follow up with telephone calls to confirm all agency requirements have been incorporated. We will document all conferences with utilities and agencies.

TASK NO. 1.7.4 90 % DESIGN

We will incorporate the City's 60% comments and provide the SBMWD revised drawings and specifications. After 90% design is complete, we will forward three copies of the drawings (full size and half size) to SBMWD for review along with the specifications, construction schedule and engineer's estimate.

TASK NO. 1.7.5 100 % DESIGN

We will incorporate the City's 90% comments and provide the SBMWD revised drawings and specifications. After 100% design is complete, we will forward three copies of the drawings (full size and half size) to SBMWD for review along with the specifications, construction schedule and engineer's estimate.

TASK NO. 1.7.6 FINAL DRAWINGS

After receiving final approval on the drawings, TKE will provide SBMWD with digital (AutoCAD and PDF) copies of the drawings, specifications, construction schedule and engineer's estimate for final approval.

TASK NO. 1.8 CONSTRUCTION SCHEDULE AND COST ESTIMATE

At each submittal phase (60%, 90%, 100% and Final) TKE will prepare and update a detailed itemized construction schedule and engineer's estimate of probable cost. TKE schedule will be prepared using Microsoft project and will include detailed task items with key dates. The estimate will be prepared using an excel spreadsheet and will include descriptions of work, unit prices and quantities.

TASK NO. 1.9 BID SCHEDULE

TKE will prepare a draft and final bid schedule at the 100% and final plan submittal.

TASK NO. 1.10 DELIVERABLES

See previous subsection of Task No. 1.8 Contract Documents. At each submittal phase, electronic copies of plans and specs along with a response log will be submitted.

TASK NO.2 PROJECT MANAGEMENT

TASK NO.2.1 KICKOFF MEETING

Prior to commencement of services, TKE will meet SBMWD staff to review project obligations and to discuss all project requirements and exact locations for project alignments in detail. In addition, we will discuss the project's scope of services and our design schedules. We also utilize this meeting to acquire SBMWD's existing utility plans.

TASK NO.2.2 PROGRESS MEETINGS

TKE will attend monthly virtual progress meetings and as needed throughout the duration of the project.

TASK NO.2.3 DESIGN REVIEW MEETINGS

TKE will schedule three virtual design review meetings upon the completion of 60%, 90% and 100% design completion phases.

TASK NO.2.4 PROGRESS REPORTING

TKE will submit monthly progress reporting with monthly invoicing which will indicate work activities completed to date, outstanding issues, changes in scope, budget status, corrective actions, schedule status, updated logs, and overall project budget.

TASK NO.2.5 INVOICING

TKE will provide monthly invoicing showing breakdown for staff and subconsultants that performed work on the project including job title/classification, hourly rates, hours worked, and a brief description of the work performed.

TASK NO.3 BIDDING SERVICES

TASK NO.3.1 REQUESTS FOR INFORMATION

TKE will answer questions about or provide clarifications to the drawings or specifications during project bidding. We will answer questions about or provide clarifications of the contract documents as requested by the SBMWD, and will prepare addenda if necessary. For our fee proposal, we assumed two (2) addenda and ten (10) requests for information responses would be required for the project.

TASK NO.3.2 CONFORMED CONSTRUCTION PLANS AND SPECIFICATIONS

TKE will prepare a conformed set of construction plans and specifications stamped "Conformed" incorporating all changes made during the bidding process as a result of the Requests for Information/Clarification and subsequent addendums.

TASK NO.4 RECORD DRAWING PREPARATION

TASK NO.4.1 RECORD DRAWINGS

Once the project has been completed, we will provide SBMWD with a complete set of signed and stamped record drawings which will reflect the improvements as constructed; any changes made during project construction will be shown on the record drawings based on the contractor's and inspector's records. Said record drawings will be based on data furnished by the Contractor's redlined field plans and inspector tie sheets and will be stamped "As-Built." TKE will prepare electronic as-built drawings in accordance with SBMWD standards from the Contractor's redlined field changes after construction is completed. TKE will submit record drawings in hard copy and electronic format according to SBMWD's standards.

FEE SCHEDULE

City of San Bernardino Municipal Water Department

Engineering Design Services

58th and 59th Streets Area Pipeline Replacement Project

Fee Schedule

Task No	Task	Project Manager		Project Engineer		Assistant Engineer/Designer		Clerical		Surveying		Sub-Consultants ^{1,2,3}		Total
		Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$	\$	\$	
Design Scope of Services														
Task 1 - Development of Construction Documents														
1.1	SBMWD Coordination	2	\$ 350	2	\$ 330		\$ -	2	\$ 180		\$ -		\$ -	\$ 860
1.2	Professional Surveying		\$ -	2	\$ 330		\$ -		\$ -	48	\$ 12,480		\$ -	\$ 12,810
1.3	Utility Research / Coordination		\$ -	2	\$ 330	4	\$ 580	8	\$ 720		\$ -		\$ -	\$ 1,630
1.4	Geotechnical Services	2	\$ 350		\$ -	2	\$ 290		\$ -		\$ -		\$ 11,800	\$ 12,440
1.5	Permit Acquisition		\$ -	2	\$ 330	2	\$ 290	4	\$ 360		\$ -		\$ 10,000	\$ 10,980
1.6	Potholing (28 potholes)		\$ -	4	\$ 660		\$ -		\$ -	8	\$ 2,080		\$ 45,436	\$ 48,176
1.7	Contract Documents		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -	
1.7.1	Basic Construction Drawings		\$ -	4	\$ 660	40	\$ 5,800		\$ -		\$ -		\$ -	\$ 6,460
1.7.2	60% Design	8	\$ 1,400	30	\$ 4,950	80	\$ 11,600	12	\$ 1,080		\$ -		\$ -	\$ 19,030
1.7.3	Coordination with Agencies/Utilities		\$ -	4	\$ 660	4	\$ 580	8	\$ 720		\$ -		\$ -	\$ 1,960
1.7.4	90% Design	4	\$ 700	16	\$ 2,640	60	\$ 8,700	6	\$ 540		\$ -		\$ -	\$ 12,580
1.7.5	100% Design	2	\$ 350	8	\$ 1,320	40	\$ 5,800	6	\$ 540		\$ -		\$ -	\$ 8,010
1.7.6	Final Drawings	2	\$ 350	4	\$ 660	24	\$ 3,480	8	\$ 720		\$ -		\$ -	\$ 5,210
1.9	Construction Schedule and Cost Estimate	2	\$ 350	2	\$ 330	8	\$ 1,160		\$ -		\$ -		\$ -	\$ 1,840
1.10	Bid Schedule	2	\$ 350	2	\$ 330	8	\$ 1,160	4	\$ 360		\$ -		\$ -	\$ 2,200
Task 2 - Project Management														
2.1	Kick-off Meeting	2	\$ 350	2	\$ 330		\$ -	1	\$ 90		\$ -		\$ -	\$ 770
2.2	Progress Meetings	4	\$ 700	4	\$ 660		\$ -	2	\$ 180		\$ -		\$ -	\$ 1,540
2.3	Design Review Meetings	4	\$ 700	4	\$ 660		\$ -	2	\$ 180		\$ -		\$ -	\$ 1,540
2.4	Progress Reporting		\$ -	8	\$ 1,320	4	\$ 580	4	\$ 360		\$ -		\$ -	\$ 2,260
2.5	Invoicing	2	\$ 350	4	\$ 660		\$ -	8	\$ 720		\$ -		\$ -	\$ 1,730
Task 3 - Bidding Services														
3.1	Request for Information	2	\$ 350	4	\$ 660		\$ -	2	\$ 180		\$ -		\$ -	\$ 1,190
3.2	Confirmed Construction Plans and Specifications	2	\$ 350	4	\$ 660	4	\$ 580	4	\$ 360		\$ -		\$ -	\$ 1,950
Task 4 - Engineering Support During Construction														
4.1	Preconstruction Conference	2	\$ 350	2	\$ 330		\$ -	1	\$ 90		\$ -		\$ -	\$ 770
4.2	Shop Drawing Services	4	\$ 700	8	\$ 1,320	16	\$ 2,320	8	\$ 720		\$ -		\$ -	\$ 5,060
Task 5 - Record Drawing Preparation														
5.1	Record Drawings	2	\$ 350	2	\$ 330	4	\$ 580	1	\$ 90		\$ -		\$ -	\$ 1,350
Subtotal:		48	\$ 8,400	124	\$ 20,460	300	\$ 43,500	91	\$ 8,190	56	\$ 14,560	\$ 67,236	\$ -	\$ 162,346
													Reimbursables (at 3%) ^{1,2}	\$ 4,870
													Design Subtotal	\$ 167,216

OPTIONAL BID ITEMS

1.6 Additional Potholing (20 Potholes)

\$ 29,360
Design Total w/Optional Cost: \$ 196,576

Rates:

Project Manager	\$ 175 /HR
Project Engineer	\$ 165 /HR
Assistant Engineer/Designer	\$ 145 /HR
Senior Surveyor	\$ 175 /HR
Clerical	\$ 90 /HR
Survey Crew	\$ 260 /HR

Notes:

- 1.) Reimbursables Include Cost for Prints, Copies, Mileage, Etc.
- 2.) AG's Fee for Geotechnical Investigation
- 3.) C Below for Utility Verification (Fee Includes 28 Potholes, Additional Potholes based on 3 hole minimum)
- 4.) Permit Fees

TKE Engineering, Inc.

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- Section 1** | Project Understanding, Approach, and Methodology
- Section 2** | Respondent's Qualifications, Capabilities, and Specific Project Experience
- Section 3** | Qualifications of Key Personnel and Subconsultants
- Section 4** | Fee Schedule
- Section 5** | Insurance and Indemnity Requirements
- Section 6** | Additional Services Offered

Prepared for:



**City of San Bernardino Municipal
Water Department**

1350 South "E" Street

San Bernardino, CA 92408

Contact: Sydney Morrison

Contracts Administrator

Phone: (909) 384-5393

E-mail: Sydney.Morrison@sbmwd.org

Prepared by:



TKE Engineering, Inc.

2305 Chicago Avenue

Riverside, CA 92507

Contact: Joanna Rembis, P.E., Q.S.D.
Principal Engineer

Phone: (951) 680-0440

E-mail: jrembis@tkeengineering.com

September 27, 2024

Ms. Sydney Morrison
CITY OF SAN BERNARDINO
MUNICIPAL WATER DEPARTMENT
1350 S E Street
San Bernardino, CA 92408

Subject: RFP – Engineering Design Services for 58th and 59th Street Area Pipeline Replacement Project

Dear Ms. Morrison:

Thank you for the opportunity to present this material outlining TKE Engineering, Inc.'s (TKE's) qualifications. Enclosed herein is a comprehensive proposal depicting our qualifications and abilities to provide Engineering Design Services for the 58th and 59th Street Area Pipeline Replacement Project.

A. Consultant Identification – TKE, a California Corporation, is located within 20 minutes of the City of San Bernardino Municipal Water Department (SBMWD) at 2305 Chicago Avenue, Riverside, California 92507 and can be reached by phone at (951) 680-0440. TKE has worked with numerous water and municipal agencies on various water, wastewater, and recycled water projects over the past twenty-three years and is enthusiastic about the opportunity to assist SBMWD in improving the infrastructure of our community.

TKE is committed to providing high quality, efficient services to meet all of SBMWD's needs. TKE's Project Manager's will be in contact with SBMWD's staff each week to ensure that we are progressing on schedule and are within our allocated budget. It is this personal touch and contact that define our "local service" approach. We consider ourselves community builders and take ownership of projects assigned to TKE, ensuring that our personnel will be allocated on an as needed basis in order to complete all projects on schedule.

TKE's management team and staff are fundamentally committed to creating value in each task that we perform. As such, we have created a professional culture wherein each member of our staff constantly strives for increased efficiency, ultimately allowing us to provide highly professional services at competitive rates. This culture of constant value creation and increased efficiencies ensures that the services contracted to, and provided by TKE, will always mean good stewardship of public resources.

B. Project Team – TKE is a full service, multi-disciplinary consulting corporation offering in-house delivery of planning, plan checking, conditions of approval, constructability, review, development agreements, design, coordination and relocations services, construction management and construction inspection services for water system, wastewater system, and recycled water system improvement projects. Our wide variety of services and expertise allows us to complete all services in house. Our experience in the region, numerous accomplishments as well as management skills will help maintain continuity in the delivery of SBMWD's upcoming projects. TKE takes a team approach to all projects and emphasizes the importance of constant communication between all members of the team, from the client to the consultants.

C. Contact Person – Joanna Rembis, P.E., Q.S.D., TKE's Principal Engineer, will be the contact person during the proposal evaluation period. Mrs. Rembis works from TKE's primary office location located at 2305 Chicago Avenue, Riverside, California 92507 and can be reached by phone at (951) 680-0440 or by email at jrembis@tkeengineering.com.



D. Proposal Validity – TKE's proposal shall remain valid for a period of at least three months from the date of submittal.

E. Acceptance of Sample Agreement – I have the ability to accept the terms of the Professional Services Agreement (PSA) as indicated in the Sample Agreement without exception or deviation.

F. Addenda - TKE acknowledges Addendum No. 1 as well as Q and A Sets 1 and 2.

G. Authorization – TKE's project is signed by a principal of the firm who is authorized to bind TKE to the terms of the proposal.

Thank you for your consideration. If you have any questions, please call me at (951) 680-0440, fax me at (951) 680-0490 or e-mail me at trenner@tkeengineering.com.

Sincerely,



Terry Renner, P.E., L.S., Q.S.D.
Senior Vice President
TKE Engineering, Inc.



SECTION 1 | PROJECT UNDERSTANDING, APPROACH, AND METHODOLOGY

A. PROJECT UNDERSTANDING

TKE has conducted a comprehensive review of the City of San Bernardino Water Department's Request for Proposal (RFP) No. 1848 for Engineering Design Services related to the 58th and 59th Street Area Pipeline Replacement Project. In light of expected increased pressures from the nearby "Systemwide 2 Pipeline Replacement Project," the City is taking proactive measures to replace aging and deteriorating 6-inch dipped and wrapped steel mains, as well as cement-lined and wrapped pipes from the 1960s and 1970s in the northern part of the City. This project will take place north of Hill Drive, affecting 58th Street, 59th Street, Pershing Ave., Mayfield Ave., and Electric Ave., in a quiet residential area at the base of the San Bernardino Mountains.



The scope of work encompasses the replacement of approximately 4,350 linear feet of 6-inch waterline, including 400 feet of 8-inch waterline. Prior to the bidding process, TKE performed a detailed review of the RFP, which included both a desktop analysis of the site and an extensive on-site visit. The replacement activities will occur in a residential neighborhood with existing utilities such as water, sewer, gas, cable, and electrical services. Most electrical lines are underground, except for those on Mayfield, which are overhead. This thorough review is essential for minimizing disruptions and ensuring the

project is completed efficiently and on schedule. The review yielded the following observations for each street:

	Length (ft)	Services	Fire Hydrants
59 th Street	1,000	18	2
58 th Street	975	14	2
Mayfield Ave.	500	4	-
Electric Ave.	700	4	1
Pershing Ave.	775	10	1
Hill Drive	400	4	
TOTAL	4,350	54	6

The Pipeline Replacement Project also includes pavement and subgrade repair requirements per SBMWD specifications, as well as all necessary appurtenances (fire hydrants, air/vacuum relief valves, valves, etc.).

TKE has a long history of delivering pipeline projects for numerous communities in which we live and work in on a daily basis. TKE has designed over 100 miles of water pipeline projects and been involved with more than 40 miles of pipeline construction. In addition, TKE has worked with SBMWD for the past 21 years preparing design drawings for more than 20 miles of pipeline and assisted SBMWD with the preparation of their design and Auto CAD standards. From our first pipeline project in 2000 to our latest project of this type, TKE has always understood the importance of these projects. Our extensive background with water pipelines ensures our team has the knowledge to help SBMWD construct a quality project and minimize change orders during construction. We understand how important time and budget are to SBMWD. During the current economic times, construction costs are increasing and since funds are limited and time sensitive, it is important to have accurate cost estimates during the entire development of the project, as well as a proactive approach to project completion. Using TKE's proven project delivery approach, TKE is the right choice to partner with SBMWD to complete the project.

Successful project delivery is our goal. Our definition of successful project delivery is:

- Project Completion on Schedule



- Project Completion that Meets all Project Requirements
- Project Completion within Budget

Our goal is not limited to the design of the project only, but includes the incorporation of value engineering and constructability review. Through the examination of specific pipeline alignment alternatives, we will identify the most cost-effective alignments that meets design requirements and which will provide for the greatest opportunity for expedited construction. This approach allows us to consistently deliver projects that use public resources in a very wise and responsible manner. We have developed this project approach in order to maintain an expertise in our core business of projects with tight budgetary constraints.

B . APPROACH

Our approach to your project, recognizing that both schedule and budget are of primary concern, dictates that design decisions must be made quickly but carefully. When this is coupled with the various constraints present with the project, it is critical that SBMWD choose a consultant with a proven track record of delivering. With a familiar team of senior level design and construction professionals and an in-house team, TKE is the right choice for this project.

For pipeline design projects, our approach includes early identification of critical design elements, experience with common challenges, and accurate cost estimating throughout the entire process. In preparing this proposal, our team used our experience and knowledge of the project area and project type, and carefully reviewed the RFP to establish critical issues so we can be prepared to immediately mobilize upon notice to assist SBMWD. Our knowledge of SBMWD and the City and experience with pipeline projects has enabled us to develop a complete comprehensive list of critical issues. Critical issues

C . EXPECTED CHALLENGES

PAVEMENT RESTORATION

The majority of the streets included in the project area have not had pavement restoration and are in fair to completely failed condition. Since the streets are generally in such poor condition, trench repair will likely lead to raveling and popping of adjacent failed pavement sections. These issues often lead to wasted costs in



throwaway pavement repairs. TKE will recommend alternative paving opportunities which can potentially leverage pavement funding and repair larger portions of the project area street which will maximize project budgets and simultaneously minimize any throwaway costs for temporary street repairs.

In addition, a majority of the streets are classified as residential. Therefore, TKE will ensure the proper structural section is designed for each street classification.

UTILITIES

For pipeline projects, construction contract change orders are primarily attributable to inaccurate plotting of utility interferences or due to unknown utilities. Comprehensive utility research together with design potholing of critical utility interferences and potholing of all interferences prior to construction by the project contractor will ensure that contract change orders will be significantly reduced or even eliminated. It is anticipated that numerous underground utilities will be encountered



in street intersections that are located throughout the project. For larger existing facilities and project connections, TKE will identify those as critical and request that SBMWD excavate them to verify both horizontal and vertical alignments. In addition, we will request that at connections existing, pipeline materials and condition be noted to properly design each connection's existing pipeline abandonments. Again, to avoid potential change orders, detailed connection and abandonment designs will be included.

PIPELINE PRESSURES AND THRUST PROTECTION

Due to the anticipated higher pressure from the System 2 Pipeline Replacement project, TKE will carefully examine every reach of pipeline to verify that adequate pipe class will be specified. TKE will specify appropriate pipe classes for system operations as well as thrust protection and will review system pressures to determine if reduced pressure backflow devices are required.

Thrust protection, either concrete thrust blocks or restrained joints, will also be specified for other system components including curves, tees, bends, and fittings. Any pipeline failure experienced during construction is



almost always attributed to insufficient thrust protection. Thrust is created by both pressure and the movement of water within the pipeline combined with changes in direction. TKE will design the pipeline system to ensure adequate protection is provided. In particular, thrust protection is critical at connection locations because of the uncertainty of protection on the existing pipeline system to remain. In addition, thrust protection must be provided on vertical alignment changes should grade changes be large enough to create potential failures.

D. PROJECT MANAGEMENT

TKE provides effective project management services for all of our projects. We have successfully delivered extensive and highly visible water, wastewater, street, traffic, drainage, and facility improvement projects for the County of San Bernardino and Riverside, the San Bernardino Municipal Water Department the Cities of Redlands, Highland, Yucaipa, Calimesa, Upland, Fontana, Rialto, and Banning, and for the, Rubidoux Community

Services District, Mission Springs Water District, and East Valley Water District. TKE's approach has consistently allowed our partner agencies to fulfill their missions of delivering the best value for the public's investment.

TKE's management approach includes:

- 1) Monthly Progress Reports-TKE will document project progress in a comprehensive project management summary. The summary includes project name and related number, description of progress, budget status, schedule compliance, and anticipated upcoming accomplishments.
- 2) Communication-Communications with agencies' staff is another important component to effective project management. In addition to the monthly progress reports, TKE will meet with SBMWD staff biweekly to ensure the project is proceeding as anticipated. We will document discussion topic or meeting with notes and electronically mail them to the project team within three days of the meeting/conference indicating action items and a schedule for completion of these items.
- 3) Record Keeping-TKE keeps records in an organized filing system both in hard copy and electronic forms. This organized filing system allows TKE to access records immediately should they be needed. Upon project completion TKE will provide SBMWD with a copy of the project files.
- 4) Meetings-TKE will meet with project stakeholders as needed including the public, City Council, permitting and regulatory agencies, utilities, etc. We will meet with them at the project's onset and throughout the course of project design to ensure all stakeholder project needs are considered and properly adhered to. All meeting preparation (SBMWD Staff Reports, agendas, exhibits, slide shows, etc.) will be prepared by TKE for each meeting. Again, meetings will be



documented. TKE has provided numerous similar presentations to Councils (closed sessions, council meetings, community meetings, etc.).

- 5) Team Meeting-Team meetings include all parties that have any interest in the project construction. In particular, TKE will meet with the SBMWD's Engineering and Public Works Departments and any subconsultants and maintain a close working partnership with them throughout the design process.
- 6) Project Review-TKE's project manager meets with internal staff on a weekly basis to discuss project design challenges, team staffing and work assignments on the project, upcoming deadlines and project schedule and project budget. Each week staff will be properly allocated to ensure the project remains on schedule and proceeding in a timely manner. The project manager also meets with our internal project team as needed throughout design to review design status, details and reports in order to actively maintain an understanding of the project progress and keep the project proceeding efficiently.

TKE's project management services are enhanced by integration with our knowledge and background with pipeline design and of SBMWD specifically. Our proposed project team is able to facilitate and ensure the pipeline replacement project will be effectively managed and that the project will be constructible and operate efficiently.

E. COMMITMENT TO SERVICE

TKE has two unique advantages associated with the experience of our project team. One benefit of TKE's project team is our extremely low internal turnover rate. As a result of our rigorous interview and testing procedures, coupled with our extremely high employee satisfaction rates, TKE staff has years of experience working together. The close relationships each of our staff members have with one another provide SBMWD with an extremely well rounded and experienced team. As such, TKE's project team experience directly correlates with TKE's firm experience described below.

The second benefit of TKE's project team is our internal training procedures. TKE has strived to develop techniques that reach outside the box and develop well rounded individuals committed to providing high quality, efficient services to meet all of our clients' needs. TKE trains our staff on every facet of engineering design and

construction to provide a level of knowledge that can identify problems in every phase of a project, from planning through construction.

It is this commitment to service and diverse array of offerings that makes us unique and drives our long-standing relationships with our client base. Understanding that all aspects of civil engineering are important to ensure the SBMWD's interests are protected and project schedules are met, our team brings TKE

management level professionals to projects ensuring that every aspect receives full and comprehensive consideration. It is this personal touch and contact that define our 'local service' approach. We consider ourselves community builders and take ownership of services requested from TKE, ensuring that our personnel will be allocated on an as needed basis in order to complete all services on schedule and within specified budget. TKE is committed to responding to our clients' needs as they arise.

F. QUALITY ASSURANCE / QUALITY CONTROL

TKE takes pride in our reputation for thoroughness, rapid turnaround, cost efficiency and overall quality of work, and believes that a high level of quality is needed on all PS&E packages. High quality design yields the following tangible results:

- Ease of Oversight
- Smoother Processing
- Healthy Number of Bidders
- Consistent Bids
- Minimized Construction Support Cost
- Absence of Design-Related Change Orders
- Reduced Claims and Dispute Resolution Costs

TKE's quality assurance program is vital to successful project completion. Our quality assurance program is one that is applied inherently throughout the entire design process and all design activities. This program requires not only formal procedures for checking at each intermittent project task, but encourages the conscientious effort of experienced people to always "create quality" in every task performed throughout the design process.

This program has become a natural element in all aspects of TKE's design and management activities, and will guide our work on this contract:



- Staff Training and Development
- Assignment of Experienced Staff
- Continuity of Staffing
- Project-Specific Work Plan
- Schedule Compliance
- Comprehensive Field Review and Compilation of Site Data
- Established Design Procedures
- Established Detailing Standards
- Established Checking Procedures, Including Independent In-House QA/QC Review
- Dual (Independent) Quantity Estimates
- Review by Constructability Expert

This Quality Assurance/Quality Control program is in place to ensure that PS&E documents prepared by TKE continue to exceed the standards of our clients and that we will deliver the project on schedule and within budget.

GEOTECHNICAL

To verify subsurface conditions, TKE will team with Aragon, our geotechnical subconsultant, to perform field testing in these areas to verify subsurface conditions and appropriate use of existing subsurface materials.

Our geotechnical subconsultant will fully document soils types and provide information for use during design and in the preparation of the construction documents. In areas where existing soils will not be appropriate for pipe zone backfill, TKE will specify these areas and specify select soil backfill materials.

ACCURATE COST ESTIMATING

Unanticipated costs will impact SBMWD's ability to deliver the project. Therefore, it is vital to keep costs controlled. Our approach to controlling costs is to provide frequent and accurate cost estimates by using TKE's detailed cost estimating database. In addition to using this database, TKE utilizes our considerable experience with Construction Management to assist in providing constructability reviews and cost estimating based on current information from our on-going projects. Finally, with the current economic climate, construction costs are widely varying. We will also discuss the project's elements with local contractors to assure that we have the most current construction information available so that SBMWD can get the most "bang for their buck".

G. METHODOLOGY

Our design methodology to complete the scope of work is presented in the following paragraphs:

TASK NO. 1 – DEVELOPMENT OF CONSTRUCTION DOCUMENTS

TASK NO. 1.1 SBMWD COORDINATION

TKE will coordinate with SBMWD staff to research all existing water system information including locations of water facilities, water mains, gate valves, connection points to new pipelines and services in the project areas. We will research all requirements associated with easements, encroachment permits, parcel acquisitions and required rights-of-way.

TASK NO. 1.2 PROFESSIONAL SURVEYING

We propose to use field survey to prepare the base construction drawings. Our field survey crew will locate existing street centerline monuments utilizing survey control data. The crew will measure the horizontal angle, horizontal distance, and vertical elevation difference between each survey monument. We will complete a traverse for each survey to ensure closure. Utilizing GPS survey methods, two first order horizontal monuments will be established for each pipeline project associating the survey to the NAD 83, California State Plane Coordinate System, Zone 5, Epoch 2011.0. The monuments will be adjusted to the California High-Precision Geodetic Network and its densification stations. Elevations will be tied to existing City benchmarks based on the NGVD 88 Datum. In addition, we will measure sewer and storm drain inverts. The survey will collect appropriate detail 25 feet beyond property lines and a minimum of 100 feet beyond the project site. A field reconnaissance will be performed as needed as required to ensure all water valves, manholes, and water meters were accurately collected that may impact the construction of the proposed water system.

TASK NO. 1.3 UTILITY RESEARCH/COORDINATION

We will thoroughly research existing utility records and acquire copies of all available records. The purpose of the records research is to assemble survey records to establish locations of street centerlines and rights-of-way and determine locations of all existing utilities and improvements.



The research will consist of assembling copies of assessors' maps, tract maps, parcel maps, monument ties, benchmark data, corner records, street improvement plans, and utility drawings. We will notify Underground Service Alert to acquire a complete list of underground utility purveyors. The utility drawings will include existing drawings from SBMWD, and drawings and/or atlas maps from all private utility companies, and/or agencies. We will send letters to utility companies and agencies requesting their data. We will maintain copies of the letters for future reference.

TASK NO. 1.4 GEOTECHNICAL SERVICES

Aragon Geotechnical, Inc. will provide geotechnical services. They will complete one (1) geotechnical boring per 1,000 linear feet of pipeline or a minimum of one (1) geotechnical boring per street. The borings shall be done to a depth of five (5) feet to determine the existing roadway section and subgrade soil type. In addition, we will prepare a summary table that will be included on the plans.

TASK NO. 1.5 PERMIT ACQUISITION

After the 60% design review meeting, TKE will begin application preparation for required permits. Applicable permits include:

- **City of San Bernardino Encroachment Permit-** Encroachment permit from the City of San Bernardino will be required for areas within the City's current limits for construction of improvements.

TASK NO. 1.6 POTHOLING

C Below will provide potholing excavation services for the project. They will submit a request to Underground Service Alert (USA) to notify USA members to attend a field meeting to review locations to be excavated. TKE will mark critical utility locations as defined by TKE and approved by SBMWD staff, in the field. We propose to only excavate those facilities that would have a significant impact on pipeline profile design. At a minimum 28 potholes will be performed based on the requirements established in the RFP. A pothole will measure 1' x 1' x 5' to 10' deep.

We will conduct a field meeting to request that utility representatives mark their facilities within specified locations. We will document meeting attendees for future reference. C Below will arrange for excavation of

the interferences and measure all utilities that are excavated to record their horizontal and vertical alignments. We would then identify all facilities that require relocation, if any. In addition to the utility data, we will note the condition of existing pavement for design of replacement pavement sections.

TASK NO. 1.7 CONTRACT DOCUMENTS

TKE will attend a project kickoff meeting, progress meetings, coordination meeting and prepare plans and specifications as described below:

TASK NO. 1.7.1 BASE CONSTRUCTION DRAWINGS

We will prepare the base construction drawings on 22" by 34" sheets with the SBMWD's standard title block using AutoCAD 2015 software at a drawing scale of 1"=40'. The base construction drawings will include a plan view based on the survey data collected. We will add the sheet north arrow, graphic scale, existing improvements and utilities (based on both assembled records and field data), property lines, public and private right-of-way, street centerline, street names, and survey data to the plan view portion of the drawings. Once the base drawings are complete, we will perform a careful field review to ensure all underground facilities are shown correctly.

Upon completion of the base construction drawings will identify utility crossings deemed critical for potholing purposes. We will review the list of utilities with SBMWD staff for acceptance and begin underground verification work.

TASK NO. 1.7.2 60% DESIGN

The title sheet shall include the title of the job, a vicinity map showing the City in relationship to surrounding communities, a location map showing the project limits, sheet index map, benchmark data, and SBMWD and City Fire Certificates.

Additional sheets will be prepared for general notes, construction notes, construction quantities, a list of abbreviations used, survey information and SBMWD legend as required by SBMWD standards.

The construction notes will include requirements for notifications, existing utility protection and relocation, pipeline materials, excavation, improvement restoration, and existing waterline abandonment requirements, if any.



The plan/profile sheets will include the plan view showing digital topographic data, existing improvements and utilities, centerline control, proposed pipeline, and pipeline appurtenances (*connections, air valves, main line valves, fire hydrants and blow offs*). The profile (at a drawing scale of 1" =40' horizontal and 1" =4' vertical) will show existing ground surface over the proposed pipeline, pipeline flow line, top of pipe, utility crossings, slopes, length of pipe, pipeline appurtenances, joint restraint requirements, and special bedding requirements all in accordance with SBMWD standards.

The construction detail sheets will include SBMWD standard details, connections, appurtenance details, and abandonment details, all at appropriate drawing scales.

The specifications shall be prepared in accordance with SBMWD standards and will be prepared in Microsoft Word format.

After 60% design is complete, we will forward three copies of the drawings (full size and half size) to SBMWD for review along with the specifications, construction schedule and engineer's estimate.

TASK NO. 1.7.3 COORDINATION WITH AGENCIES/UTILITIES

After incorporating SBMWD comments, we will submit drawings to all agencies/utilities having underground facilities in the project area that may be affected by construction and request that they verify their facilities are shown correctly and that they furnish any construction requirements they desire. We will request that they respond within two weeks and we will follow up with telephone calls to confirm all agency requirements have been incorporated. We will document all conferences with utilities and agencies.

TASK NO. 1.7.4 90% DESIGN

We will incorporate the City's 60% comments and provide the SBMWD revised drawings and specifications. After 90% design is complete, we will forward three copies of the drawings (full size and half size) to SBMWD for review along with the specifications, construction schedule and engineer's estimate.

TASK NO. 1.7.5 100% DESIGN

We will incorporate the City's 90% comments and provide the SBMWD revised drawings and specifications. After 100% design is complete, we will forward three copies of the drawings (full size and half size) to SBMWD for review

along with the specifications, construction schedule and engineer's estimate.

TASK NO. 1.7.6 FINAL DRAWINGS

After receiving final approval on the drawings, TKE will provide SBMWD with digital (AutoCAD and PDF) copies of the drawings, specifications, construction schedule and engineer's estimate for final approval.

TASK NO. 1.8 CONSTRUCTION SCHEDULE AND COST ESTIMATE

At each submittal phase (60%, 90%, 100% and Final) TKE will prepare and update a detailed itemized construction schedule and engineer's estimate of probable cost. TKE schedule will be prepared using Microsoft project and will include detailed task items with key dates. The estimate will be prepared using an excel spreadsheet and will include descriptions of work, unit prices and quantities.

TASK NO. 1.9 BID SCHEDULE

TKE will prepare a draft and final bid schedule at the 100% and final plan submittal.

TASK NO. 1.10 DELIVERABLES

See previous subsection of Task No. 1.8 Contract Documents. At each submittal phase, electronic copies of plans and specs along with a response log will be submitted.

TASK NO. 2 PROJECT MANAGEMENT

TASK NO. 2.1 KICKOFF MEETING

Prior to commencement of services, TKE will meet SBMWD staff to review project obligations and to discuss all project requirements and exact locations for project alignments in detail. In addition, we will discuss the project's scope of services and our design schedules. We also utilize this meeting to acquire SBMWD's existing utility plans.

TASK NO. 2.2 PROGRESS MEETINGS

TKE will attend monthly virtual progress meetings and as needed throughout the duration of the project.

TASK NO. 2.3 DESIGN REVIEW MEETINGS



TKE will schedule three virtual design review meetings upon the completion of 60%, 90% and 100% design completion phases.

TASK NO. 2.4 PROGRESS REPORTING

TKE will submit monthly progress reporting with monthly invoicing which will indicate work activities completed to date, outstanding issues, changes in scope, budget status, corrective actions, schedule status, updated logs, and overall project budget.

TASK NO. 2.5 INVOICING

TKE will provide monthly invoicing showing breakdown for staff and subconsultants that performed work on the project including job title/classification, hourly rates, hours worked, and a brief description of the work performed.

TASK NO. 3 BIDDING SERVICES

TASK NO. 3.1 REQUESTS FOR INFORMATION

TKE will answer questions about or provide clarifications to the drawings or specifications during project bidding. We will answer questions about or provide clarifications of the contract documents as requested by the SBMWD, and will prepare addenda if necessary. For our fee proposal, we assumed two (2) addenda and ten (10) requests for information responses would be required for the project.

TASK NO. 3.2 CONFORMED CONSTRUCTION PLANS AND SPECIFICATIONS

TKE will prepare a conformed set of construction plans and specifications stamped "Conformed" incorporating all changes made during the bidding process as a result of the Requests for Information/Clarification and subsequent addendums.

TASK NO. 4 RECORD DRAWING PREPARATION

TASK NO. 4.1 RECORD DRAWINGS

Once the project has been completed, we will provide SBMWD with a complete set of signed and stamped record drawings which will reflect the improvements as constructed; any changes made during project

construction will be shown on the record drawings based on the contractor's and inspector's records. Said record drawings will be based on data furnished by the Contractor's redlined field plans and inspector tie sheets and will be stamped "As-Built."

TKE will prepare electronic as-built drawings in accordance with SBMWD standards from the Contractors redlined field changes after construction is completed. TKE will submit record drawings in hard copy and electronic format according to SBMWD's standards.



TKE Engineering, Inc. | AT A GLANCE



Extensive Water Main Experience

TKE has performed design and construction on more than 200 miles of water mains



City Experience

TKE has extensive experience with the City's water system.



Municipal On-Call Contracts

TKE currently provides Civil Engineering Design, Surveying, Map Checking, Construction Staking, and Project Support services for more than 30 Cities / Counties / Districts throughout Southern California



Size of Organization

61 Professional Engineers, Surveyors, Traffic Engineering, Project Managers, Surveyors, Plan and Map Checkers, Inspectors, Designers, Construction Managers, and Support Staff



Location of Office

TKE Engineering, Inc.
2305 Chicago Avenue
Riverside, CA 92507



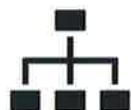
Years in Business

TKE has conducted business for the past 24 years and has 23 years of experience in providing Water Design services for municipalities including for Federal and State funded projects



Company Structure

TKE is a California Corporation founded in June 2000. TKE has no affiliates or subsidiary companies. California Business License Number: 00109901 TKE DIR No. 1000413173



Firm Owners

Michael P. Thornton, P.E., P.L.S., M.S. – President
Terry Renner, P.E., P.L.S., Q.S.D. – Senior Vice President
Steven W. Ledbetter, P.E., Q.S.D. – Vice President



Point of Contact for SBMWD

Terry Renner, P.E., L.S., Q.S.D.
Senior Vice President
2305 Chicago Avenue
Riverside, CA 92507
Phone: (951) 680-0440
Email: trenner@tkeengineering.com

SECTION 2 | RESPONDENT'S QUALIFICATIONS, CAPABILITIES, AND SPECIFIC PROJECT EXPERIENCE

A. TKE QUALIFICATIONS

TKE was established in 2000, and in the last 24 years has developed into one of Southern California's premier full-service consulting design engineering, planning, and construction management firms. TKE was established with the goal of providing turnkey design engineering services for municipal projects in order to benefit our community. As a result of the focus of a firm on this mission, TKE has earned a reputation for thoroughness, rapid turnaround, cost efficiency and overall quality of work. We are a highly motivated, dynamic firm with the goal of being your preferred consultant.

TKE routinely provides design engineering services for water and wastewater improvement projects to numerous municipalities throughout San Bernardino, Riverside, Los Angeles, and Orange Counties. TKE's office is located in a business owned office building at 2305 Chicago Avenue in Riverside, less than 15 minutes from SBMWD, allowing us to mobilize and respond to project needs at a moment's notice. TKE currently maintains a staff of 59 design engineers, project managers, inspectors, drafters, and clerical personnel.

TKE's organizational structure has steadily grown since our inception twenty-three years ago, which provides us with a solid foundation and ensures successful completion of any water design or survey needs. In TKE's twenty-three years of business, not a single TKE project has gone through litigation. TKE has an annual gross revenue of more than \$10 million and there are no financial conditions that may impede TKE's ability to provide services or complete the services as outlined in the RFP. No conditions or organizational conflicts of interest exists that will affect the ability of TKE to perform the required duties as described in this proposal.

B. CAPABILITIES INCLUDING PIPELINE EXPERIENCE

TKE has extensive experience with an excellent reputation in both the design of and construction support of pipeline projects. Throughout our history of twenty-three years,

we have provided design and construction support services for facilities ranging from 300 linear feet to 10 miles in length. We have successfully completed complex and challenging projects for a variety of municipal agencies who have continued to request that we partner with them in delivering much needed infrastructure to their communities.

Our broad range of successful services includes turnkey design, program and project management, construction management, inspection, and delivery for a diverse array of public projects. The City benefits from our broad range of experience through our intimate understanding of the common pitfalls for each project variation and our past history of successfully overcoming these challenges. Throughout our history, TKE has performed design on more than 1,000,000 linear feet of water mains, including more than 100,000 linear feet of 24-inch and greater mains and more than 250,000 linear feet of 6-inch through 24-inch recycled water mains. In addition, TKE has prepared design documents for more than 200,000 linear feet of wastewater improvements, including sewer mains ranging in size from 6-inches to 48-inches, nearly 50,000 linear feet of force mains ranging from 4-inches to 30-inches, and various sewer repair designs including cured in place pipe. TKE also has experience with master planning of sewer, water and recycled water systems.

Our pipeline improvement projects have included the full services of civil engineering design for the completion of challenging projects. We are certain that the successful results of our past performance in the delivery of pipeline projects, along with our firm's proven ability to utilize our experience for a complete and well-engineered project, will provide a valuable resource to the SBMWD. TKE requests the SBMWD confer with our references provided in this proposal to verify our past history of providing exemplary services.



Adelanto Rd and Pansy Rd. Water and Sewer Project | City of Adelanto



"I" Street Pipeline Replacement | City of San Bernardino Municipal Water Department



Design of Jonathan Street Water Line Replacement | City of Adelanto

C. SPECIFIC PROJECT EXPERIENCE

Please find our specific project experience below. These projects performed by our team serve as a small sample of the success we have had with public agencies with projects similar to yours.

**DESIGN OF BARBOUR STREET WATER MAIN REPLACEMENT***City of Banning, CA***Client Contact:** Mr. Patrick Safari, Associate Engineer**Phone Number:** (951) 922-3168**Email:** psafari@banningca.gov**Project Cost:** \$0.8M**Completion Date:** Current**RELEVANCE TO SBMWD**

- Waterline Replacement
- Design Survey
- Utility Coordination
- New Service Connections
- Constrained Alignment Alternatives

DESCRIPTION

The City of Banning retained TKE to provide engineering design services for the replacement of existing 4-inch and 6-inch steel water distribution mains in Barbour Street between San Geronio Avenue and Juarez Street 3,550 linear feet. The existing line directly feeds the surrounding residences and conveys water to downstream properties of various land-use designations. Due to its age and conveyance capacity, it was identified as a deficient system component, especially for supplying fire flow. The purpose of the project is to eliminate undersized and aging infrastructure. The design includes the reconnection of the water service laterals to the new main and repairing of disturbed areas (e.g., private improvements).

SERVICES

Services include records research, design survey, preliminary engineering, utility verification, permitting, design, cost estimating, stakeholder coordination, construction surveying and staking, and bidding/construction support.

KEY STAFF

Steven Ledbetter, P.E., Terry Renner, P.E., P.L.S., Q.S.D., Octavio Parada, Shelby Kelley, E.I.T., Ron Musser, L.S.

**SAN BERNARDINO STREET WATER MAIN REPLACEMENT***Monte Vista Water District, Montclair, CA***Client Contact:** Mr. Bill Schwartz**Phone Number:** (909) 267-2113**Email:** bschwartz@mvwd.org**Project Cost:** \$1.1M**Completion Date:** December 2021**RELEVANCE TO SBMWD**

- Waterline Replacement
- Design Survey
- Utility Coordination
- New Service Connections
- Constrained Alignment Alternatives

DESCRIPTION

The San Bernardino Street Water Replacement Project is located on San Bernardino Street from Fremont Avenue to Benson Avenue and along Bandera Street from Vernon Avenue to Benson Avenue in the City of Montclair. The project includes construction of approximately 4,000 linear feet of replacement 12" PVC water main and 1,300 linear feet of replacement 8" PVC water main, water meters and appurtenances. The project will replace aging and failing water mains within both street and replace all water services, meters, fire hydrants and connections to existing water mains.

SERVICES

Services include records research, design survey, preliminary engineering, alignment selection, utility verification, permitting, design and cost estimating.

KEY STAFF

Steven Ledbetter, P.E., Q.S.D., Terry Renner, P.E., P.L.S., Q.S.D., Octavio Parada, Shelby Kelley, E.I.T., Ron Musser, L.S.





2017-18 ANNUAL WATER REPLACEMENT PROGRAM

City of Hesperia, CA

Client Contact: Mr. Nils Bentsen

Phone Number: (760) 947-1025

Email: nbentsen@cityofhesperia.us

Project Cost: \$1.3M

Completion Date: January 2019

RELEVANCE TO SBMWD

- Waterline Replacement
- Design Survey
- Utility Coordination
- Constrained Alignment Alternatives

DESCRIPTION

TKE provided design engineering services for the construction of the pipeline replacement program to replace nearly 42,600 linear feet of 4" aging pipelines with 8-inch pipe and related appurtenances. Typical pipeline appurtenances for the project include, control valves, fire hydrants, air vacuum release valves, blowoffs, and water service piping to construct to the existing water meters which will remain.

SERVICES

Services include records research, design, hydraulic modeling, permitting, surveying, preparation of construction documents and estimates and coordination with agencies and consultants.

KEY STAFF

Steven Ledbetter, P.E., Q.S.D., Terry Renner, P.E., P.L.S., Q.S.D., Octavio Parada, Ron Musser, L.S.



DESERT WILLOWS WATERLINE REPLACEMENT

City of Desert Hot Springs, CA

Client Contact: Mr. Brian Macy

Phone Number: (760) 329-6498

Email: bmacy@mswd.org

Project Cost: \$1.5M

Completion Date: August 2021

RELEVANCE TO SBMWD

- Water Pipeline Design
- Utility Relocation/Coordination
- Design/Construction Surveying
- New Service Connections
- Pavement Rehabilitation
- Easement Acquisition/Property Owner Coordination

DESCRIPTION

The Desert Willows Waterline Replacement Project is located in the City of Desert Hot Springs south of Pierson Avenue. TKE provided project management services for the project that included design preparation for approximately 7,700 linear feet of water system replacement improvements including pipeline, valves, fire hydrants, service laterals and appurtenances. Proposed improvements provided replacement for leaky pipelines and services. The project also included negotiating a cost share agreement with the Desert Willows Community HOA to aid in funding street rehabilitation outside of the trench repair throughout the project limits.

SERVICES

Services include records research, design survey, preliminary engineering, alignment selection, utility verification, permitting, design, cost estimating, stakeholder coordination and negotiations with legal counsel.

KEY STAFF

Steven Ledbetter, P.E., Q.S.D., Terry Renner, P.E., P.L.S., Q.S.D., Octavio Parada, Ron Musser, L.S.





I-15 WATER AND SEWER MAINS
City of Hesperia, CA
Client Contact: Mr. Nils Bentsen
Phone Number: (760) 947-1025
Email: nbentsen@cityofhesperia.us
Project Cost: \$3.5M
Completion Date: June 2020

RELEVANCE TO SBMWD

- Water and Sewer Design
- Lift Station Design
- Booster Station Design
- Utility Relocation/Coordination
- Design/Construction Surveying
- Caltrans Permitting
- Right-of-Way Engineering
- Easement Acquisition/Property Owner Coordination

DESCRIPTION

This project consists of the design and construction of 7,800 linear feet 15" PVC sewer pipe, 800 linear feet of 18" PVC sewer pipe, and 4,000 linear feet of 18" ductile iron water main along with a sewer lift station and water booster station to provide service to developments along the I-15 freeway corridor. The project included two bore and jacked casing crossings of the Interstate 15 Freeway, force main installation along the exterior of an existing bridge crossing over the BNSF railroad and multiple connections to the existing sewer system.

SERVICES

Services include preliminary engineering, opinion of probable cost, feasibility study, with system alternatives, sewer and water hydraulic modeling analysis, design, topographic surveying, and preparation of construction contract documents.

KEY STAFF

Steven Ledbetter, P.E., Q.S.D., Terry Renner, P.E., P.L.S., Q.S.D., Michael Thornton, P.E., P.L.S., Ron Musser, P.L.S.

D. ADDITIONAL REFERENCES

The following table includes additional references for whom we have provided professional services similar to those required per the scope of work for this Project.

AGENCY	CONTACT NAME	PHONE NUMBER/ EMAIL ADDRESS	DATES SERVICES PROVIDED (FROM/THROUGH)
City of San Bernardino Municipal Water Department 1350 S. E Street San Bernardino, CA 92408	Mr. Ted Brunson Development Services Manager	(909) 453-6165 ted.brunson@sbmwd.org	2003 – Present
Mission Springs Water District 66575 2nd Street Desert Hot Springs, CA 92240	Mr. Brian Macy General Manager	(760) 329-5169 bmacy@mswd.org	2001 – Present
Rubidoux Community Services District 3590 Rubidoux Blvd. Rubidoux, CA 92509	Mr. Jeff Sims General Manager	(951) 684-7580 jsims@rcsd.org	2001 – Present
City of Hesperia 9700 Seventh Avenue Hesperia, CA 92345	Mr. Nils Bentsen City Manager	(760) 947-1901 nbentsen@cityofhesperia.us	2016 – Present



SECTION 3 | QUALIFICATIONS OF KEY PERSONNEL AND SUBCONSULTANTS

A. PROJECT TEAM

TKE, as demonstrated in our experience section of this proposal, has the qualifications to complete the services described in our scope of services presented in this proposal. TKE has also assembled an elite team of professionals to partner with SBMWD to complete the design of the pipeline project. Our project manager has more than 20 years of history with the SBMWD and remains an active member of the San Bernardino community. Our team has a wealth of experience working together and has developed an excellent working partnership that will be an invaluable resource to SBMWD. We intend to continue our relationship and to apply our knowledge and experience to this project. This knowledge improves overall project management, eliminates the potential for costly mistakes and delays, and allows our staff to provide very effective and efficient services to you. Each key member of our project team is presented in the following paragraphs:



**Terry Renner, P.E., P.L.S.,
Q.S.D.**

Principle-in-Charge

R.C.E. No. 69984

P.L.S. No. 9762

Q.S.D. Certification No. 24329

Mr. Renner is the Senior Vice President of TKE and has 24 years of experience in civil engineering potable water pipeline infrastructure projects, including service tie-overs, fire hydrant spacing design, abandonment and connection details for proper testing, flushing and disinfection, trench repair and pavement rehabilitation strategies. He has managed numerous projects and has delivered projects for City of San Bernardino Municipal Water Department, Elsinore Valley Municipal Water District, Eastern Municipal Water District, Mission Springs Water District, East Valley Water District, Rubidoux Community Services District, Maywood Mutual Water Company, and the cities of Fontana, Upland, Riverside, Redlands, Rialto, Calimesa, El Monte and Corona. As a project manager, Mr. Renner has been responsible for field analysis of pavement deterioration,

design production, supervising a staff of engineers and drafters, coordinating work between the production team and the client, and for submitting all deliverables in a timely manner. He has successfully delivered a wide variety of complex and challenging projects and is dedicated to ensuring that the plans produced by TKE continue to exceed industry standards.



Joanna Rembis Q.S.D.
Project Manager

Q.S.D. Certification No. 28965

Ms. Rembis has more than 20 years' experience in the field of Project Engineering/Project Management, Field Inspection and Customer Support - 12 of which she spent as a Project Manager. Her experience includes preparing specifications, plans, and bid packages for rehabilitation and design of new tank projects. Ms. Rembis can also assist in generating and editing technical reports and photo surveys and provides quality control inspection and construction management services for various projects including water tanks, pipelines, and cathodic protection.

She developed the specifications and plans for the rehabilitation of hundreds of welded steel, bolted steel, and concrete reservoirs and for the construction of dozens of new welded steel and bolted steel tanks. Technical specifications have included earthwork, masonry, concrete, rebar, tank construction, Cal/OSHA safety, coatings, piping, valves, cathodic protection, electrical, and roofing.



Octavio Parada
Senior Designer

Mr. Parada has over 25 years of progressive experience in civil engineering in the public works sector as well as the private sector. He is result-driven, proactive and detail-oriented with a proven track record of successfully handling and delivering a wide variety of complex and challenging projects. He is dedicated to ensure that projects exceed industry standards and consistently finishing under budget and schedule. Through his career, Octavio has accumulated extensive experience in planning, designing and project completion for more than



Engineering Design Services for 58th and 59th Street Area Pipeline Replacement Project

San Bernardino Municipal Water Department



100 miles of water improvements, sewer improvements, drainage improvements, and hydraulic and hydrologic computerized system modeling. Finally, Octavio has worked in the private sector for commercial and industrial development as technical director managing projects from the conceptual stage, through planning, designing, bidding, construction, and project completion under project specifications and exceeding client expectations.



Ron Musser, P.L.S.,
Senior Surveyor

P.L.S. No. 4230

Mr. Musser has over 55 years of experience in performing field and office surveying services for public and private projects including roadway and highway projects. Prior to joining TKE Engineering, Inc., Mr. Musser worked as a Partner in an engineering and surveying firm and supervised the mapping department providing mapping and calculations support for the firm's projects. He has performed design topographic surveying and construction staking on all of TKE's respective design and construction management projects over the past 16 years. In addition, he has prepared records of survey, parcel maps and tract maps in San Bernardino County, Riverside County, San Diego County, Orange County and Los Angeles County. He has performed boundary, topographic, ALTA, and precise level surveys as well as Global Positioning Surveys.

B. SUBCONSULTANTS



Aragón Geotechnical Inc. (AGI)

is a highly qualified geotechnical and construction materials testing firm with significant experience in providing services similar to those being requested. AGI is committed to providing geotechnical, materials testing, and construction field inspection services with a superior degree of professional excellence and proficiency. We offer clients individual attention and provide innovative solutions at a competitive cost. AGI traces its roots to the year 1973, followed soon after by the establishment of the present headquarters office in the Woodcrest area of Riverside County. The firm will apply decades of experience acquired by talented professionals in the fields of geotechnical engineering, engineering geology,

hydrogeology, earthquake engineering, and materials engineering and testing to the project team.

AGI has endeavored to obtain specialty certifications reflective of high degrees of staff training and well-maintained equipment. AGI holds the following accreditations:

- **AASHTO Resource (Formerly AMRL) - Attached is a copy of AGI's AASHTO Accreditation.**
- **CalTrans (California Department of Transportation) - Attached is AGI's Caltrans Laboratory Accreditation.**

Furthermore, AGI's Materials Testing Services could serve as the SBMWD's Caltrans QAP assurance on any SBMWD projects in accordance with project contract documents and applicable ICC, CBC, ASTM, ACI, AASHTO standards, SBMWD or City ordinances, regulations, laws and good building practice.



C Below has been in the utility locating business for fourteen years (Founded in 2009) and employs the

most experienced technicians in the industry, some with over twelve years of experience. With their corporate office located at 1385 Old Temescal Rd. Suite 100, Corona CA, 92881, where they can mobilize quickly throughout Central and Southern California. C Below currently has over eighty employees, including sixty-six technicians, the sales department, a Project Engineer, a surveyor, and a CAD technician.

C Below's, President, Chris Loera maintains a hands-on approach by researching and acquiring equipment that utilizes the most accurate technology available in the industry. He attends Industry Workshops and meets with equipment manufacturers to stay up to speed on new technology and software applications.

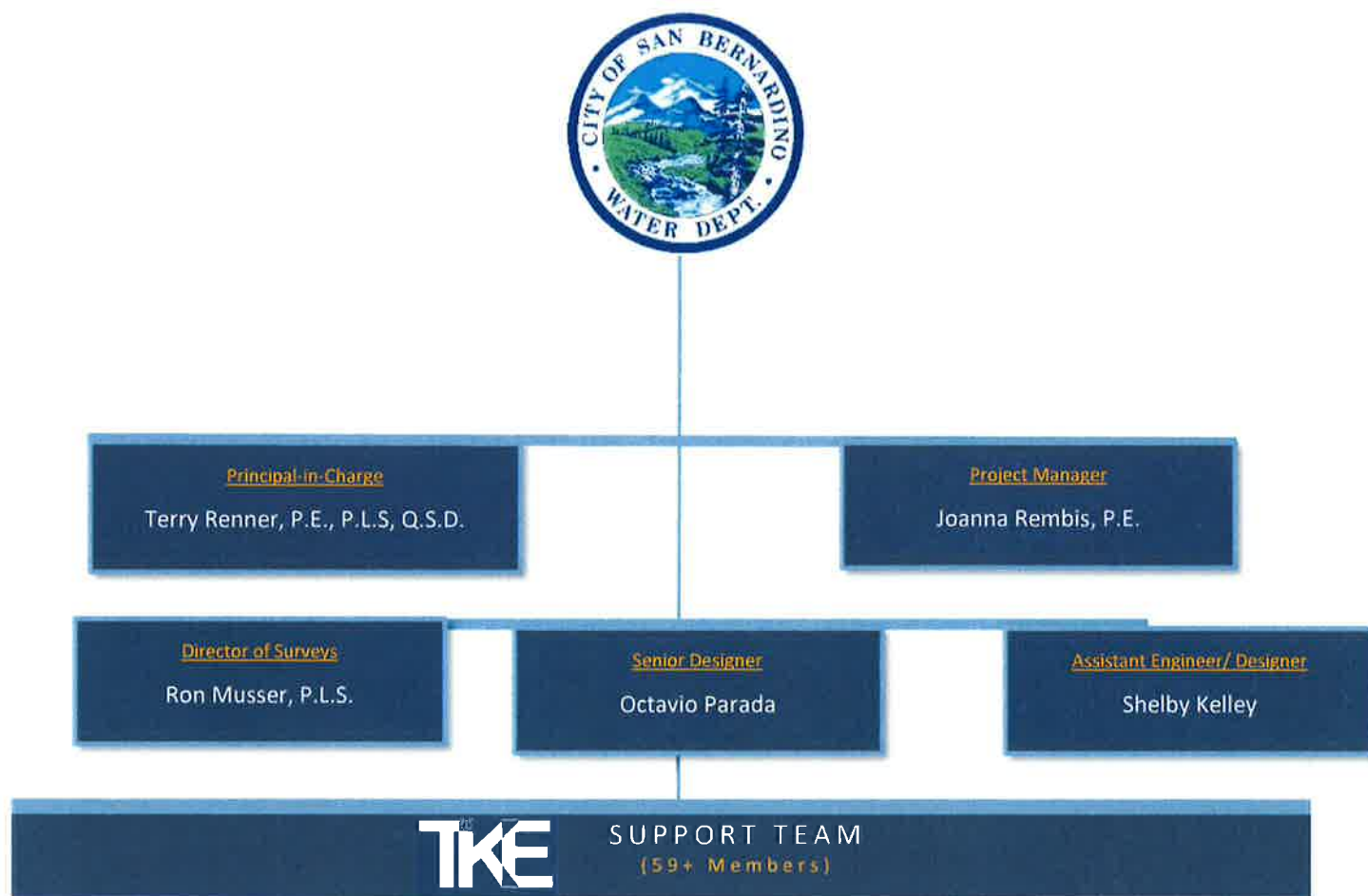


Engineering Design Services for 58th and 59th Street Area Pipeline Replacement Project

San Bernardino Municipal Water Department



C. ORGANIZATION CHART





TERRY RENNER, P.E., L.S., Q.S.D.

TKE Engineering, Inc.

Principal-in-Charge

EDUCATION

BS, Civil Engineering, California State
Polytechnic University, Pomona

REGISTRATIONS

P.E. License Number 69984 (CA)
Qualified SWPPP Developer and Practitioner
#24329
P.L.S. #L9762

CERTIFICATIONS

Caltrans SWPPP Certified QSP/QSD (CA)
Training

AFFILIATIONS

American Public Works Association
American Council of Engineering Companies
of California

Mr. Renner is the Senior Vice President of TKE and has 24 years of experience in civil engineering infrastructure projects, including water and sewer improvements, drainage improvements, transportation improvements, facilities improvements and recreation improvements. He has managed numerous projects and has delivered projects for the City of San Bernardino Municipal Water Department, Elsinore Valley Municipal Water District, Eastern Municipal Water District, Mission Springs Water District, East Valley Water District, Rubidoux Community Services District, Maywood Mutual Water Company No. 1, and the cities of Fontana, Upland, Riverside, Redlands, Rialto, Calimesa, El Monte and Corona. As a project manager, Mr. Renner has been responsible for design production, supervising a staff of engineers and drafters, coordinating work between the production team and the client, and for submitting all deliverables in a timely manner. He has successfully delivered a wide variety of complex and challenging projects and is dedicated to ensuring that the plans produced by TKE continue to exceed industry standards.

DETAILED PROJECT EXPERIENCE

- **2017-18 Annual Water Replacement Program, City of Hesperia, CA** – Mr. Renner was the Project Manager for this project which consists of replacement of 42,600 linear feet of 4" aging pipelines with 8-inch pipe and related appurtenances. Typical pipeline appurtenances for the project include, control valves, fire hydrants, air vacuum release valves, blowoffs, and water service piping to construct to the existing water meters which will remain. In addition, the project includes over 60 connections to existing water mains.
- **Recycled Water Pipeline Project, City of Hesperia, CA** – Mr. Renner was the Project Manager for this project which consists of construction of 8 miles of recycled water pipelines ranging for 16" to 8" in diameter including, plan and profiles, specifications, cost estimates, and DWR funding management. In addition, TKE is providing construction assistance services, grant funding management and inspection for pipeline construction.
- **Pacific Avenue 16" and 12" Water Pipeline Improvements Project, City of Jurupa Valley, CA** – Mr. Renner was the Project and Construction Manager for this project which consists of 5,525 linear feet of 16" and 12" ductile iron and polyvinyl chloride pipe, including connection to existing system, construction of new water system infrastructure, bore and jack with 24" steel casing, meter connections, appurtenances and demolition and abandonment of required existing facilities.
- **"I" Street Pipeline – City of San Bernardino, CA** – Mr. Renner is Project Manager of this project, which consists of the construction of 2,300' of 16" and 3,700' of 20" ductile iron pipe. The project included hanging the pipe beneath a flood control bridge crossing of the Devil's Creek and BNSF permitting for bore and jack crossing of railroad at Rialto Street, along with coordination with other agencies.





**JOANNA
REMBIS, P.E.,
Q.S.D.**
TKE Engineering, Inc.

Project Manager

EDUCATION

B.S, Civil Engineering, California State
Polytechnic University, Pomona

REGISTRATIONS

P.E. License Number 75535 (CA)
Qualified SWPPP Developer and Practitioner
#28965

AFFILIATIONS

American Water Works Association

Past Chair of the Tanks, Reservoirs,
Structures,

Maintenance Committee

Inland County Water Association

Southern California Water Utility Association

American Society of Civil Engineers

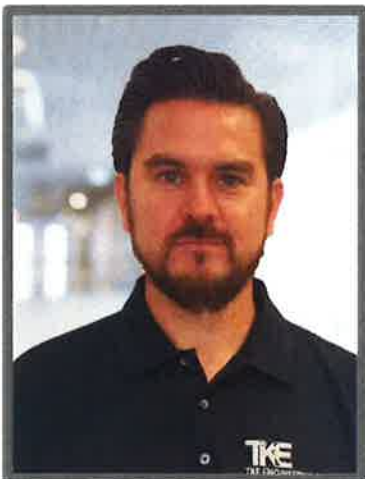
Ms. Rembis has more than 20 years' experience in the field of Project Engineering/Project Management, Field Inspection and Customer Support - 12 of which she spent as a Project Manager. Her experience includes preparing specifications, plans, and bid packages for rehabilitation and design of new tank projects. Ms. Rembis can also assist in generating and editing technical reports and photo surveys and provides quality control inspection and construction management services for various projects including water tanks, pipelines, and cathodic protection.

She developed the specifications and plans for the rehabilitation of hundreds of welded steel, bolted steel, and concrete reservoirs and for the construction of dozens of new welded steel and bolted steel tanks. Technical specifications have included earthwork, masonry, concrete, rebar, tank construction, Cal/OSHA safety, coatings, piping, valves, cathodic protection, electrical, and roofing.

DETAILED PROJECT EXPERIENCE

- **1.6 MG Reservoir, City of Loma Linda** – Ms. Rembis was the project manager responsible for design services during the PS&E phase of the project as well as, day-to-day project guidance, team oversight, client contact, and schedule and budget management for the construction of a new 1.6 MG reservoir in the City of Loma Linda. The new reservoir is to provide additional supply to the City's 1A, 2, and 2A pressure zones in the event that the existing reservoirs are taken offline for repairs or maintenance. The reservoir is of welded steel construction with extensive site improvements necessary. The site's unique topography allows the reservoir to be hidden but requires extensive grading with 10,000 CY of material moved. Throughout construction, Ms. Rembis managed inspectors for observation of the tank construction and also access road improvements, various site improvements, storm drain improvements, SCADA, and electrical component installation as well as coordination of geotechnical and coating inspections.
- **Santa Ana Avenue Transmission Main Project Phase 2, West Valley Water District** - Construction Manager responsible for contract administration, progress meetings, material/RFI submittals, correspondence, labor compliance, and progress payment review. The project includes the construction of a new 12-inch diameter DI transmission main for approximately 5,229 linear feet in Santa Ana Avenue that will provide improved fire flow for the residences in the area. The new transmission main will replace the existing 4-inch water main serving this area and will be constructed within the street right of way.
- **Casmalia Water Main Replacement, West Valley Water District** - Construction Manager responsible for contract administration, progress meetings, material/RFI submittals, correspondence, labor compliance, and progress payment review. WVWD contracted with ERSC for the Casmalia Water Main Replacement, which includes installation of 850 linear feet of 8-inch and 50 linear feet of 4-inch ductile iron pipe, 10 new services reconnections and one new fire hydrant within the street right of way.





OCTAVIO PARADA

TKE Engineering, Inc.

Senior Designer

EDUCATION

Bachelors of Science (B.S), Autonomous
University of Baja California, Mexico (UABC)

CERTIFICATIONS

Certificate (1996),
Traffic Engineering for highways,
Secretary of Transport and Communication
(SCT-Mexico)

Certificate (2007),
CAD Pilot Boot Camp
for Civil 3D,
CVIS

Mr. Parada has over 25 years of progressive experience in civil engineering in the public works sector as well as the private sector. He is result-driven, proactive and detail-oriented with a proven track record of successfully handling and delivering a wide variety of complex and challenging projects. He is dedicated to ensure that projects exceed industry standards and consistently finishing under budget and schedule. Through his career, Octavio has accumulated extensive experience in planning, designing and project completion for more than 30 miles of roadways, street widening, medians, traffic calming, roundabouts, signing and striping modifications, bicycle lanes, pedestrian facilities for major corridors, arterials, collectors and residential streets, including water improvements, sewer improvements, drainage improvements, grading plans and computerized system modeling for drainage master plans. Finally, Octavio has worked in the private sector for commercial and industrial development as technical director managing projects from the conceptual stage, through planning, designing, bidding, construction, and project completion under project specifications and exceeding client expectations.

DETAILED PROJECT EXPERIENCE

- **Pacific Avenue Water Pipeline Improvements Project.** *Rubidoux Community Service District* – Mr. Parada Assisted in the design and preparation of 5400' linear feet of watermain ranging from 16" to 8" in diameter, utilizing ductile iron and Polyvinyl chloride pipe, pipeline appurtenances, fire hydrants, 60 linear feet of 24" bore and jack steel casing. The project also included coordination of future street and storm drain improvements with riverside county transportation department and flood control district.
- **Crestmore Road Waterline Replacement Project.** *Rubidoux Community Service District* – Mr. Parada Assisted in the design and preparation of 1500' linear feet of 24" CML&C transmission main improvements to increase flows from an existing well site
- **1158 Zone Recycled Water Program, City of Fontana, CA** – Mr. Parada Assisted in the design and preparation of approximately 50,000 linear feet of recycled water mains ranging from 6" to 24" in diameter. The project included San Bernardino County Flood Control District bridge crossings, DWR pipeline crossings and Southern California Edison easement crossings. The project included preparation of preliminary engineering report that identified potential users, projected use amounts alignment alternatives to provide service, environmental impacts and service retrofits. Assistance with a funding application and processing with the State of California State Water Resource Control Board.



**RON MUSSER,****P.L.S.****TKE Engineering, Inc.****Senior Surveyor****EDUCATION**

BS, Civil Engineering, California State
Polytechnic University, Pomona

REGISTRATIONS

P.E. License Number 69984 (CA)
Qualified SWPPP Developer and Practitioner
#24329

CERTIFICATIONS

Caltrans SWPPP Certified QSP/QSD Training

AFFILIATIONS

American Public Works Association
American Council of Engineering Companies
of California

Mr. Musser has over 55 years of experience in performing field and office surveying and plan checking services for public and private projects including roadway and highway projects. He has performed design topographic surveying and construction staking on all of TKE's respective design and construction management projects and map checking over the past 16 years. In addition, he has prepared records of survey, parcel maps and tract maps in San Bernardino County, Riverside County, San Diego County, Orange County and Los Angeles County. He has performed boundary, topographic, ALTA, and precise level surveys as well as Global Positioning Surveys.

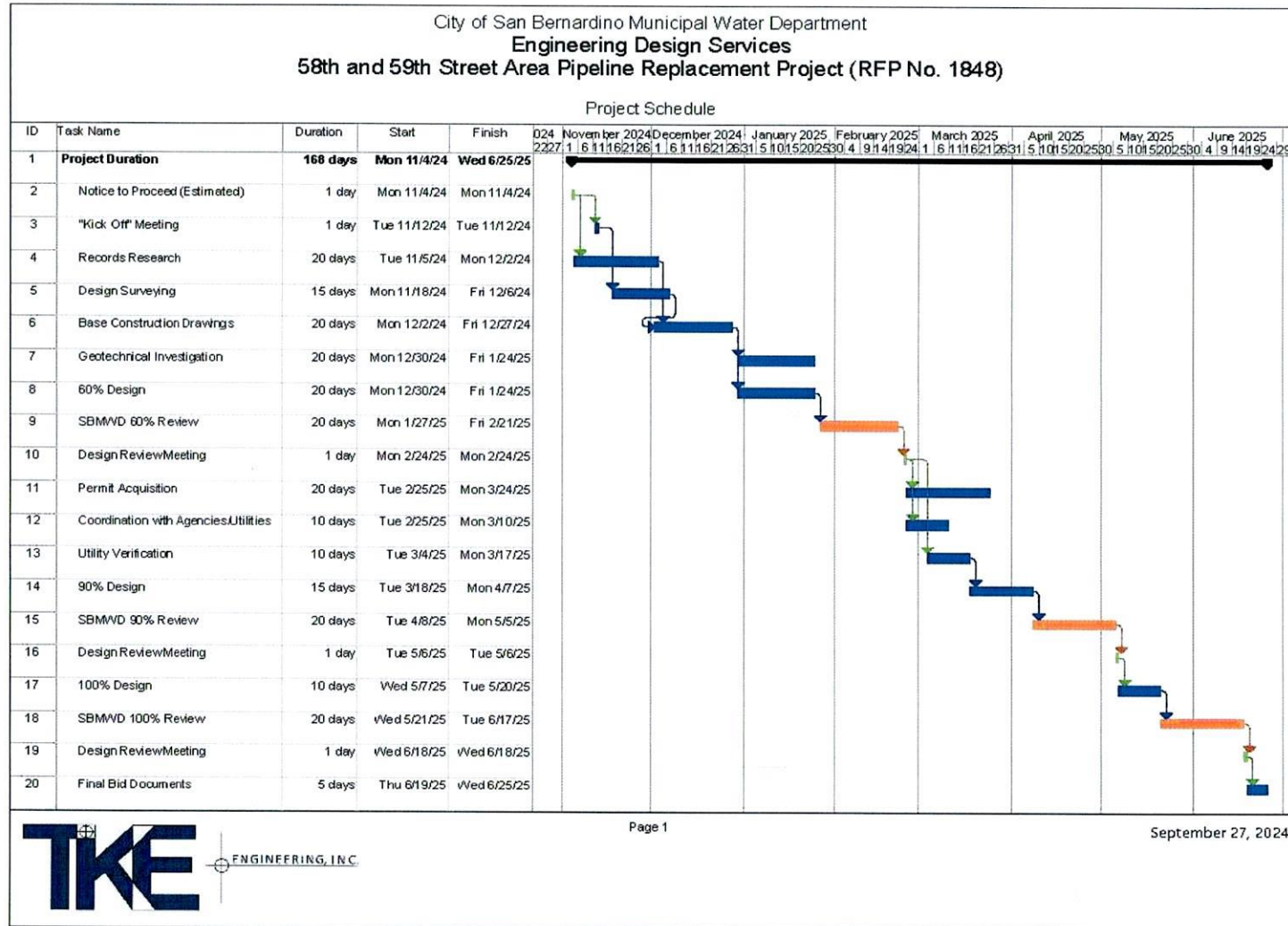
DETAILED PROJECT EXPERIENCE

- **Crestmore Avenue Water System Improvements, Rubidoux Community Services District, Rubidoux, CA** – Mr. Musser was the Project Surveyor for this project, which provided 1,950 linear feet of 24-inch CML&C transmission main improvements to increase flows from an existing well site.
- **San Bernardino Avenue/Etiwanda Avenue Force Main, Inland Empire Utilities Agency, City of Fontana, CA** – Mr. Musser served as Project Surveyor for this project, which provided 8,360 linear feet of 24-inch and 30-inch parallel DIP force mains and PVC electrical and fiber optic conduits.
- **"I" Street Pipeline, City of San Bernardino, CA** – Mr. Musser is Project Surveyor of this project, which consists of the construction of 2,300' of 16" and 3,700' of 20" ductile iron pipe, including restrained length calculations, joint specifications, system appurtenances, connections to the existing system, San Bernardino County Flood Control District permitting for pipeline hanging under "I" Street bridge crossing of the Lytle Creek Channel, and SANBAG permitting for bore and jack crossing of railroad at Rialto Avenue. Proposed water system improvements provide a transmission main from the newly constructed pipelines in 2nd Street, Mill Street and Inland Center Drive for adequate water system conveyance.
- **1720 Zone West Transmission Main Pipeline, City of San Bernardino, CA** – Mr. Musser served as Project Surveyor for this project. This project consisted of the construction of 14,500' of 36" cement mortar lined and coated steel pipe, including restrained length calculations, joint specifications, system appurtenances, connections to the existing system, Metropolitan Water District and San Gabriel Valley Water district encroachment permits, San Bernardino County Flood Control District, US Army Corp of Engineers, and Department of Fish and Game permitting for pipeline bore and jack crossing of Devil's Creek Diversion Channel/Cable Creek, BNSF permitting for bore and jack crossing of railroad at Palm Avenue, and coordination with other agencies for tie-ins to the proposed reservoir site. Proposed water system improvements provided a transmission main from the Palm Avenue Reservoir to the newly constructed Ogden Reservoir for adequate water system conveyance.



SECTION 5 | COST AND SCHEDULE

Per the RFP requirements, we have included our fee proposal as a separate attachment. Our proposed schedule is depicted below:



Engineering Design Services for 58th and 59th Street Area Pipeline Replacement Project
San Bernardino Municipal Water Department



SECTION 6 | INSURANCE AND INDEMNITY REQUIREMENTS

TKE Engineering, Inc. is willing and able to provide the required insurance coverage noted in the Sample Agreement. TKE is accepting the Department's insurance and indemnity requirements with no conditions or exceptions.



SECTION 7 | ADDITIONAL SERVICES OFFERED

TKE is not proposing any additional services. However, TKE remains available to provide any and all services required to deliver a successful project for SBMWD.



City of San Bernardino Municipal Water Department

Engineering Design Services

58th and 59th Streets Area Pipeline Replacement Project

Fee Schedule

Task No.	Task	Project Manager		Project Engineer		Assistant Engineer/Designer		Clerical		Surveying		Sub-Consultants ^{2,3,4}	Total	
		Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$			
Design Scope of Services														
Task 1 - Development of Construction Documents														
1.1	SBMWD Coordination	2	\$ 350	2	\$ 330		\$ -	2	\$ 180		\$ -		\$ 860	
1.2	Professional Surveying		\$ -	2	\$ 330		\$ -		\$ -	48	\$ 12,480		\$ 12,810	
1.3	Utility Research / Coordination		\$ -	2	\$ 330	4	\$ 580	8	\$ 720		\$ -		\$ 1,630	
1.4	Geotechnical Services	2	\$ 350		\$ -	2	\$ 290		\$ -		\$ -	\$ 11,800	\$ 12,440	
1.5	Permit Acquisition		\$ -	2	\$ 330	2	\$ 290	4	\$ 360		\$ -	\$ 10,000	\$ 10,980	
1.6	Potholing (28 potholes)		\$ -	4	\$ 660		\$ -		\$ -	8	\$ 2,080	\$ 45,436	\$ 48,176	
1.7	Contract Documents													
1.7.1	Base Construction Drawings		\$ -	4	\$ 660	40	\$ 5,800		\$ -		\$ -		\$ 6,460	
1.7.2	60% Design	8	\$ 1,400	30	\$ 4,950	80	\$ 11,600	12	\$ 1,080		\$ -		\$ 19,030	
1.7.3	Coordination with Agencies/Utilities		\$ -	4	\$ 660	4	\$ 580	8	\$ 720		\$ -		\$ 1,960	
1.7.4	90% Design	4	\$ 700	16	\$ 2,640	60	\$ 8,700	6	\$ 540		\$ -		\$ 12,580	
1.7.5	100% Design	2	\$ 350	8	\$ 1,320	40	\$ 5,800	6	\$ 540		\$ -		\$ 8,010	
1.7.6	Final Drawings	2	\$ 350	4	\$ 660	24	\$ 3,480	8	\$ 720		\$ -		\$ 5,210	
1.9	Construction Schedule and Cost Estimate	2	\$ 350	2	\$ 330	8	\$ 1,160		\$ -		\$ -		\$ 1,840	
1.10	Bid Schedule	2	\$ 350	2	\$ 330	8	\$ 1,160	4	\$ 360		\$ -		\$ 2,200	
Task 2 - Project Management														
2.1	Kickoff Meeting	2	\$ 350	2	\$ 330		\$ -	1	\$ 90		\$ -		\$ 770	
2.2	Progress Meetings	4	\$ 700	4	\$ 660		\$ -	2	\$ 180		\$ -		\$ 1,540	
2.3	Design Review Meetings	4	\$ 700	4	\$ 660		\$ -	2	\$ 180		\$ -		\$ 1,540	
2.4	Progress Reporting		\$ -	8	\$ 1,320	4	\$ 580	4	\$ 360		\$ -		\$ 2,260	
2.5	Invoicing	2	\$ 350	4	\$ 660		\$ -	8	\$ 720		\$ -		\$ 1,730	
Task 3 - Bidding Services														
3.1	Request for Information	2	\$ 350	4	\$ 660		\$ -	2	\$ 180		\$ -		\$ 1,190	
3.2	Confirmed Construction Plans and Specifications	2	\$ 350	4	\$ 660	4	\$ 580	4	\$ 360		\$ -		\$ 1,950	
Task 4 - Engineering Support During Construction														
4.1	Preconstruction Conference	2	\$ 350	2	\$ 330		\$ -	1	\$ 90		\$ -		\$ 770	
4.2	Shop Drawing Services	4	\$ 700	8	\$ 1,320	16	\$ 2,320	8	\$ 720		\$ -		\$ 5,060	
Task 5 - Record Drawing Preparation														
5.1	Record Drawings	2	\$ 350	2	\$ 330	4	\$ 580	1	\$ 90		\$ -		\$ 1,350	
Subtotal:		48	\$ 8,400	124	\$ 20,460	300	\$ 43,500	91	\$ 8,190	56	\$ 14,560	\$ 67,236	\$ 162,346	
												Reimbursables (@ 3%) ¹ :		\$ 4,870
												Design Subtotal		\$ 167,216

OPTIONAL BID ITEMS

1.6 Additional Potholing (20 Potholes)

\$ 29,360 \$ 29,360
Design Total w/Optional Cost: \$ 196,576

Rates:

Project Manager \$ 175 /HR
Project Engineer \$ 165 /HR
Assistant Engineer/Designer \$ 145 /HR
Senior Surveyor \$ 175 /HR
Clerical \$ 90 /HR
Survey Crew \$ 260 /HR

Notes:

- 1) Reimbursables Include Cost for Prints, Copies, Mileage, Etc.
- 2) AGI's Fee for Geotechnical Investigation
- 3) C Below for Utility Verification (Fee Includes 28 Potholes, Additional Potholes based on 3 hole minimum)
- 4) Permit Fees

TKE Engineering, Inc.

**CITY OF SAN BERNARDINO
MUNICIPAL WATER DEPARTMENT**

**WATER BOARD
STAFF REPORT**

TO: Miguel J. Guerrero, P.E, General Manager 
FROM: Steve R. Miller, Director of Water Utility
SUBJECT: **CONTRACT NO. 1824 – TKE ENGINEERING, INC. – CHANGE ORDER NO. 3 – PROFESSIONAL INSPECTION SERVICES FOR BNSF TRACK EXPANSION PROJECT (PROJECT NO. D2311050)**
DATE: January 30, 2025
CC: W. Huang, B. Tamimi, V. Guerrero

BACKGROUND:

The Department entered into a Utility Relocation Agreement with BNSF Railway Company (BNSF) for developer installed water and sewer facility relocations for the BNSF Ono Lead Track Extension Project in 2023. The project involves the installation of track components and facilities within and along approximately 4.3 miles of the existing BNSF corridor, from the BNSF overpass at State Street/University Parkway on the north to the existing San Bernardino Intermodal Facility at west 5th Street. These modifications require that public sewers and water pipelines and appurtenances be relocated along the project route.

The Department entered into a Professional Services Agreement with TKE Engineering, Inc. (TKE), Contract No. 1824, to provide Professional Inspection Services for the BNSF Track Expansion Project on October 18, 2023. The original scope of work for the Contract included 640 hours of field inspection services for the water and sewer line relocations. However, BNSF's construction contractor has encountered extensive challenges. As a result of these challenges, BNSF has had to redesign portions of the project which has extended the construction duration. Construction was originally estimated at eighty (80) working days, but this has been revised to two hundred ten (210) working days. Consequently, TKE has requested 400 additional inspection hours to continue providing services through project completion.

Change Order No. 3 in the amount of \$53,200.00 has been prepared for this extra work to be performed by TKE under Contract No. 1824. A complete summary of the Change Order items prepared by the Department's Contracts section is attached.

A time extension of seventy (70) calendar days is recommended to be added to the contract time. Upon Water Board approval, the revised contract end date will be August 16, 2025.

Miguel J. Guerrero, P.E., General Manager

January 30, 2025

Page 2

SUBJECT: CONTRACT NO. 1824 – TKE ENGINEERING, INC. – CHANGE ORDER NO. 3 – PROFESSIONAL INSPECTION SERVICES FOR BNSF TRACK EXPANSION PROJECT (PROJECT NO. D2311050)

GOALS AND OBJECTIVES:

This project aligns with the Department's Strategic Plan under Target 2: Infrastructure / Efficiencies, Goal #1: Address the Department's aging infrastructure. This supports the specific goal of improving and maintaining infrastructure to best serve the needs of the rate payers.

FISCAL IMPACT:

In accordance with Rule and Regulation No. 20, *Application for Water and Wastewater Backbone Infrastructure, Reservoirs, Pump Stations, Transmission Mains, New Sources of Supply, and/or Sewers* BNSF prepaid \$274,937.50.00 to the Department in estimated professional inspection services for the project. The funding source for this project is the Utility Relocation Agreement with BNSF titled *BNSF Ono Lead Track Extension Project* (Project No. D2311050), which has sufficient funds to cover the change order. There is no additional fiscal impact on the Department.

RECOMMENDATION:

Staff recommends that the Water Board make the following motion:

- Approve the Change Order No. 3 to Contract No. 1824 with TKE Engineering, Inc. in the amount of FIFTY-THREE THOUSAND TWO HUNDRED AND 00/100 DOLLARS (\$53,200.00) and authorize the General Manager to execute the change order.

Respectfully submitted,


Steve Miller (Feb 3, 2025 08:10 PST)

Steve R. Miller
Director of Water Utility

Attachments – Change Order No. 3 to Contract No. 1824

sdm

CONTRACT NO. 1824
CHANGE ORDER NO. 3

DATE: January 30, 2025

OWNER: CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT

CONTRACTOR: TKE, ENGINEERING, INC.

PROJECT: PROFESSIONAL INSPECTION SERVICES FOR BNSF TRACK
EXPANSION PROJECT (D2311050)

You are hereby requested to make the following described changes and/or additions to the project scope of work:

Item No.	Description Changes and/or Additions	Decrease Contract Price (Contract Time)	Increase Contract Price (Contract Time)
1	Additional inspection work		\$53,200.00
	TOTAL		\$53,200.00
Original Contract Amount			\$79,800.00
Contract Amount Prior To This Change Order			\$219,950.00
Net Increase Due To Change Order No. 1			\$53,750.00
Net Increase Due to Change Order No. 2			\$86,400.00
Net Increase Due To This Change Order			\$53,200.00
Net Contract Amount, Including This Change Order			\$273,150.00
Net Change in Contract Price			66.67%

The additional work contained with this Change Order can be performed incidental to the prime work and any Change Order work issued to date and is able to be completed concurrently with remaining work to be performed under the items of the Contract, without interference or delay to the Contractor. The work required by the Change Order can be completed within the time allotted for the original Contract plus the extensions to the Contract time made by this and any previously issued Change Orders.

The amounts indicated above shall be compensation in full for the work described including all direct and indirect, incidental or consequential costs or expenses, including but not limited to, extended overhead and other impact costs that have been or will be incurred by the Contractor.

The Contract Completion Date is extended by seventy (70) calendar days; the completion date is now, August 16, 2025.

Contract No. 1824
Change Order No. 3

ACCEPTED BY: _____ DATE: _____
REPRESENTATIVE
TKE ENGINEERING, INC.

RECOMMENDED BY: _____ DATE: _____
REPRESENTATIVE
CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT

RECOMMENDED BY: _____ DATE: _____
DIRECTOR OF WATER UTILITY
CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT

APPROVED BY: _____ DATE: _____
GENERAL MANAGER
CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT
(or)
PRESIDENT, WATER BOARD
CITY OF SAN BERNARDINO

**CONTRACT NO. 1824
CHANGE ORDER NO. 3
ITEM NO. 1 BREAKDOWN**

Description: Additional inspection work

Reason: The original scope of work included 640 hours of field inspection services for the water and sewer line relocations along the construction of path of the BNSF Ono Lead Track Extension Project. However, due to unforeseen conditions, portions of the construction project had to be redesigned, which has extended the construction duration. Consequently, the scope of work was revised to include 1088 hours of field inspection services to continue providing services through project completion via Change Order No. 1. However, the contractor provided a revised schedule showing that the water and sewer relocations will not be completed until the end of January 2025. Thus, requiring 720 added inspection hours through the revised construction duration, which were approved via Change Order No. 2. The Contractor has since provided a revised schedule showing that the water and sewer relocation will be completed by April 11, 2025. Consequently, additional inspection hours will be needed by the Consultant. The Consultant estimates 400 additional hours are required to provide inspection services through project completion. The price includes all labor, equipment, and materials to perform the work.

Prior Approval: Belal Tamimi; Steve Miller; Miguel Guerrero

**Contractors
Proposed Cost:** \$53,200.00

Total Cost: \$53,200.00

Time Extension: 70 Calendar Days

**CLAIM AGAINST THE CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT
WATER BOARD
(FOR DAMAGE TO PERSONS OR PERSONAL PROPERTY)
(Complete both pages)**

Received by _____ via

- ☐ U.S. Mail
☐ Inter-Office Mail
☐ Over the Counter

File No. _____

A claim must be filed with the CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT (SBMWD) within six (6) months after which the incident or event occurred. Be sure your claim is against the SBMWD not another public entity. Where space is insufficient, please use additional paper and identify information by paragraph number. Completed claims must be mailed or delivered to: SBMWD, 399 Chandler Place, San Bernardino, CA 92408.

TO THE WATER BOARD, City of San Bernardino, California

The undersigned respectfully submits the following claim and information relative to damage to person(s) and/or personal property:

1. NAME OF CLAIMANT:

GARY AND ANNE ZAVALA

a. ADDRESS OF CLAIMANT: _____

b. PHONE: _____

c. DATE OF BIRTH: _____

d. SOCIAL SECURITY #: _____

e. DRIVER'S LIC.#: _____

2. Name, telephone and post office address to which claimant desires notices to be sent if other than above:

3. Occurrence or event from which the claim arises:

DATE: 01/21/2025 TIME: 6:00am PLACE: (Exact and specific location)

4. Describe as fully as possible the particular occurrence, event, act, object or omission you claim caused the injury or damage (use additional paper if necessary):

City Sewer Back Up

5. State how or wherein the SBMWD or its employees were at fault: _____

City is responsible for maintaining their sewer lines

6. Give a description of the injury, property damage or loss, so far as is known at the time of this claim. If there were no injuries, state "no injuries":

home requires full restoration, items damaged, furniture, items shorted from being flooded by water.

CLAIM AGAINST THE CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT
WATER BOARD

(FOR DAMAGE TO PERSONS OR PERSONAL PROPERTY)

(Complete both pages)

7. Give the name(s) of any SBMWD employee(s) who may have been involved in causing the damage or injury:

UNKNOWN

8. Name and address of any other person injured: NO INJURIES

9. Name and address of the owner of any damaged property: GARY & ANNE ZAVALA

10. Damages claimed:

a. Amount claimed as of this date:

\$ 495.20 Hotels / 199-SCREEN EXTENDER

b. Estimated amount of the future costs:

\$ TBD - *7500 monthly for AIR BUB

c. Total amount claimed:

\$ TBD

d. Basis for amounts claimed (include copies of all bills, invoices, estimates, etc.):

TBD

11. Names and addresses of all witnesses, hospitals, doctors, etc.:

a. PHOTO-ROOTER * WAS ON SITE, HAS VIDEO OF SOURCE OF LOSS *

b. GARY ZAVALA

c.

12. Please list any additional information which you believe might be helpful in considering the claim:

NEEDING ASAP RE-HOME FOR FOSTER CHILDREN UNDER OUR CARE

WARNING: IT IS A CRIMINAL OFFENSE TO FILE A FALSE CLAIM!

(Penal Code Sec. 72; Insurance Code Sec. 556.1)

I have read the matters and statements made in the above claim and I know the same to be true of my own knowledge, except as to those matters stated upon information or belief and as to such matters I believe the same to be true. I certify under the penalty of perjury that the foregoing is TRUE and CORRECT.

Signed this 22nd day of January 2025 at SAN BERNARDINO

CLAIMANT'S SIGNATURE:

[Signature]