

High Desert Corridor  
Joint Powers Authority

December 20, 2018

Meeting Materials

Item 4

Approve Minutes of June 27, 2018 and  
November 30, 2018 Meetings



**HIGH DESERT CORRIDOR JOINT POWERS AUTHORITY  
BOARD OF DIRECTORS MEETING**

**Wednesday, June 27, 2018**

**2:30 p.m.**

**San Bernardino County Government Center  
385 North Arrowhead Ave, Magda Lawson Room - Fifth Floor  
San Bernardino, CA 92415**

The Board of Directors participated via teleconference from the following locations:

Robert Lovingood, Chairman	Lake Arrowhead Resort, Stars Conference Room, 27984 CA-189, Lake Arrowhead CA 92352
Kathryn Barger, Vice Chair	Sanitation District of Los Angeles County, Conference Room A, Floor 1, 1955 Workman Mill Road, Whittier, CA 90601
Dave Perry, Director	Sanitation District of Los Angeles County, Conference Room A, Floor 1, 1955 Workman Mill Road, Whittier, CA 90601
Richard Kerr, Director	10679 Melody Place, Adelanto, CA 92301
Scott Nassif, Director	Lake Arrowhead Resort, Stars Conference Room, 27984 CA-189, Lake Arrowhead CA 92352

	<b>Directors Present</b>	<b>Robert A. Lovingood</b> , Supervisor, San Bernardino County First District (Chairman); <b>Kathryn Barger</b> , City of Los Angeles Fifth District (Vice Chairman); <b>Richard Kerr</b> , City of Adelanto; <b>Fred S. "Scott" Nassif</b> , Town of Apple Valley; <b>Dave Perry</b> , Deputy to Supervisor Kathryn Barger, Los Angeles County Supervisor
	<b>Alternates Present</b>	<b>Steve Hofbauer</b> , City of Palmdale
	<b>Directors Absent</b>	<b>Raj Malhi</b> , City of Lancaster; <b>Jim Kennedy</b> , City of Victorville; <b>Curt Emick</b> , Town of Apple Valley; <b>James Ledford</b> , City of Palmdale
1.	<b>Call to Order</b>	Chairman Robert Lovingood called the meeting to order at 2:30 p.m.
2.	<b>Board Member Announcements</b>	Chairman Robert Lovingood called for Board Member Announcements.  There were no comments.
3.	<b>Correspondence</b>	Chairman Robert Lovingood inquired of the Secretary if there was Board correspondence.  Josh Candelaria and Secretary Monell stated there was no general correspondence in the agenda packet for consideration today.

4.	<p><b><u>REVISED – This item is revised to correct the date for the minutes from October 11, 2017 to January 11, 2018</u></b></p> <p><b><u>Recommended Action:</u></b></p> <ul style="list-style-type: none"> <li>• <del>Approve Minutes of October 11, 2018</del></li> <li>• <b><u>Approve Minutes of January 11, 2018 Meeting</u></b></li> </ul>	<p>On motion of Director Barger, seconded by Director Nassif, the Board approved the January 11, 2018 minutes by unanimous vote of all members present.</p>
5.	<p><b><u>Recommended Action:</u></b></p> <ul style="list-style-type: none"> <li>• <u>Adopt the High Desert Corridor JPA Fiscal Year 2018-19 Recommended Budget</u></li> </ul>	<p>Josh Candelaria, Interim Staff to the JPA presented the High Desert Corridor JPA Fiscal Year 2018-19 Recommended Budget.</p> <p>On motion by Director Barger and seconded by Director Nassif, the High Desert Corridor JPA Fiscal Year 2018-19 Recommended Budget is approved by unanimous vote of all members present.</p>
6.	<p><b><u>REVISED – This item is revised to reflect the correct number as #6</u></b></p> <p><b><u>Discussion and Possible Action:</u></b>  Direct Staff to Hold a Workshop</p>	<p>Josh Candelaria, Interim Staff to the JPA, lead discussion regarding the possibility of holding a workshop to look at the project in a broader context. There have been a number of conversations with San Bernardino County Transit Authority (SBCTA), LA Metro and other vested stakeholders. Josh stated that it would benefit the JPA to hear from the consultants, partners and other stakeholders on how to move the project forward and present alternatives. Josh added that the infrastructure package in Washington D.C. is not what was anticipated and that the federal funds are not materializing as once hoped and the available large transportation grants are very limited in California. There are a number of opportunities to present to the JPA in anticipation of the JPA giving direction for moving forward.</p> <p>Director Barger stated that she would like to see a work plan or road map that indicates what the money is intended for, such as professional services. She indicated that they need to ensure that the money is spent on tangibles that are moving the project to where it needs to be. She would also like to know what the JPA's expectation is relating to what it is investing in.</p> <p>Josh stated that when the JPA presented the amendment last year a work plan was included, and that an update can be presented at the workshop.</p> <p>Josh further stated that the position of the Staff Coordinator has been vacant for some time and that the consultants have taken on some of the responsibilities. An update on the recruitment for this position will be presented at the workshop.</p> <p>Additionally, Josh stated that it would be important to present the historical context of the JPA, such as why was it formed, what the intent for the direction was, and is it accomplishing the purpose for which it was set up.</p>

		On motion by Director Barger and seconded by Director Nassif, the JPA directed staff to hold a workshop in the fall of 2018 regarding the future of the project by unanimous vote of all members present.
11.	<b>Public Comment</b>	There were no public speakers.
12.	<b>Adjourn</b>	There being no further business, the meeting adjourned at 2:41 p.m.



**HIGH DESERT CORRIDOR JOINT POWERS AUTHORITY  
BOARD OF DIRECTORS MEETING**

Friday, November 30, 2018

3:30 p.m.

**San Bernardino County Government Center  
385 North Arrowhead Ave, Magda Lawson Room - Fifth Floor  
San Bernardino, CA 92415**

Dial the Toll Free Access Number: 1-877-820-7831  
Enter the 6-digit Participants Pass Code followed by the # sign: 768402#

The Board of Directors participated via teleconference from the following locations:

Robert Lovingood, Chairman	12474 Cottonwood Avenue, Suite A, Victorville, CA 92395
Kathryn Barger, Vice Chair	215 North Marengo Avenue, Suite 120, Pasadena, CA 91101
Dave Perry, Director	215 North Marengo Avenue, Suite 120, Pasadena, CA 91101
Jim Kennedy, Director	12474 Cottonwood Avenue, Suite A, Victorville, CA 92395
Scott Nassif, Director	15145 Seventh Street, Victorville, CA 92395

	<b>Directors Present</b>	<b>Robert A. Lovingood</b> , Supervisor, San Bernardino County First District (Chairman) <b>Kathryn Barger</b> , Supervisor, County of Los Angeles Fifth District (Vice Chair) <b>Dave Perry</b> , Deputy to Supervisor Kathryn Barger, Los Angeles County Supervisor <b>Jim Kennedy</b> , Council Member, City of Victorville (Director) <b>Fred S. "Scott" Nassif</b> , Mayor, Town of Apple Valley (Director)
	<b>Alternates Present</b>	<b>Steve Hofbauer</b> , Council Member, City of Palmdale (Director)
	<b>Directors Absent</b>	<b>Raj Malhi</b> , City of Lancaster <b>Jim Kennedy</b> , City of Victorville <b>Curt Emick</b> , Town of Apple Valley (Alternate) <b>James Ledford</b> , City of Palmdale
1.	<b>Call to Order</b>	Chairman Robert Lovingood called the meeting to order at 3:31 p.m.  JPA Secretary Laura H. Welch conducted the roll call and confirmed there was a quorum.
2.	<b>Board Member Announcements</b>	Chairman Robert Lovingood called for Board Member Announcements.  There were no announcements.
3.	<b>Correspondence</b>	Chairman Robert Lovingood inquired of the Secretary if there was Board correspondence.  Josh Candelaria indicated that correspondence was sent to Gruber and Associates indicating that there were no findings from the annual financial audit for the year ending June 30, 2018.

<p>4. <b><u>Recommended Action:</u></b></p> <ul style="list-style-type: none"> <li>• <u>Approve Staff recommendation for the High Desert Corridor JPA to sponsor Brightline's request for the California Infrastructure and Economic Development Bank to issue Private Activity Bonds for a portion of the XpressWest project and authorize the Board Chair to sign any necessary documents as required by the State Infrastructure Bank after review by County Counsel and direct that such documents be filed with the Secretary of the Board</u></li> </ul>	<p>Josh Candelaria, Interim Staff to the JPA, stated that the item before the Board is a policy direction that we are seeking to sponsor Brightline's request to issue private activity bonds to help finance a portion of the project.</p> <p>(The recent acquisition was announced on September 10 for Brightline to take over the XpressWest's Victorville to Vegas project.)</p> <p>Private activity bonds are tax-exempt bonds that would serve either a public project or a private project that has public benefits. There is a provision under the government code that allows a city/ county joint powers authority to sponsor a private entity's request, as long as it meets certain criteria.</p> <p>Mr. Candelaria stated that he confirmed and had a number of conversations with the infrastructure bank to find out what the risk associated with that meant. He said he based his recommendation for the Board's consideration on the following: 1) There is precedence that the JPA has been a long-standing partner and supporter of the XpressWest project; 2) There is a public benefit when looking at it from a stance of reducing congestion or diverting the existing traffic that is going along to the Vegas route. Also, there is an economic multiplier within the high desert cities; 3) Interconnectivity. This project is seen as a regional partner of an interconnected rail system; and 4) There is a public benefit and significant opportunity to move forward with this particular project.</p> <p>Josh said that he confirmed with California Infrastructure Bank the responsibility of the sponsor. He confirmed through County Counsel and multiple calls to other counsel, as well as the infrastructure bank, that there is no financial risk associated. The JPA would not be responsible for any debt service; that would be between the private company and the California Infrastructure Bank. There is risk associated if the debt service is not paid. Obviously, there would be a public perception issue. Mr. Candelaria continued that Brightline has a proven track record in Florida and there is a substantial economic benefit to their rail lines.</p> <p>Vice Chair Kathryn Barger stated that she also went through their counsel and Metro to make sure there was no negative financial impact on any of the funds that they've set aside or for any credit rating, and was told it absolutely has no impact on that.</p> <p>Mr. Candelaria stated that the item before the Board specifically to seek a policy direction so that we can be listed as a local sponsor, in addition to testify and support, as well as any other requirements associated with it.</p> <p>Director Steven Hofbauer of Palmdale commented that there is no mention of the LA County stretch coming into Palmdale in this project, and wondered if someone could provide an explanation for that. Mr. Candelaria stated that this is specifically just for the Victorville to Vegas portion of the project, and would help the</p>
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		<p>financing of that project. Josh stated as that project moves forward, it helps the High Desert Corridor as they move through the construction and operation process.</p> <p>Director Hofbauer questioned why the JPA wouldn't try to get it fully funded all the way across. Mr. Candelaria responded that even though the projects are interconnected in a regional sense, these are two separate, distinctive processes. XpressWest has its own Record of Decision (ROD), they have gone through their own process, and the High Desert Corridor project is going through its own environmental process. Director Barger asked if this precludes the JPA from entering into this because it is not part of the High Desert Corridor project. County Counsel Carol Greene stated that the High Desert Corridor still has an interest in this because the environmental and rate study that was done were based on DesertXpress being completed as well. Director Barger said that they are working with Brightline and discussing the connection to Palmdale, so this is more of a good-faith effort to advance that discussion. Director Lovingood asked Counsel to clarify and confirm that there would not be any issues with this proposed action. Ms. Greene confirmed that there are no issues. Counsel looked at the issues and concurred with Mr. Candelaria that there is a public benefit because of the rail interconnectivity, and it makes the Palmdale to Victorville portion more viable. Director Hofbauer asked why we would want to preclude the Palmdale stretch from being included in the bond issuance. Ms. Greene stated that it is because this is the Brightline bond issuance, not ours. Mr. Candelaria also commented that the projects are in different phases as well; XpressWest has its ROD and the High Desert Corridor project is still going through the preliminary stages. Director Kennedy said he didn't think private activity bonds would relate to the HDC project because there's no private partner. Ms. Greene stated that we do not have a private partner at this time, but there could be in the future. Director Lovingood asked if the JPA could then amend its position to include Palmdale. Ms. Greene responded that the JPA would take a position with regard to the DesertXpress line, and then, if in the future, the JPA has a private partner to work with us, we would be able to do a separate resolution to seek the same type of funding.</p> <p>Public Comment was given by Bryn Lindblad with Climate Resolve, and Adam Evanston of the San Manuel Mission Band of Indians. Mr. Candelaria indicated that he just received a message receipt regarding correspondence received from Climate Resolve reiterating Ms. Lynblad's comments.</p> <p>On motion of Director Nassif, seconded by Director Barger, the Board approved the recommended action by unanimous vote of all members present.  AYES: Lovingood, Barger, Hofbauer, Perry, Kennedy, Nassif  NAYS: none</p>
11.	<b>Public Comment</b>	There were no additional public speakers.
12.	<b>Adjourn</b>	There being no further business, the meeting adjourned at 3:51 p.m.