



SANTA FE IRRIGATION DISTRICT WATER RESOURCES COMMITTEE

Santa Fe Irrigation District
5920 Linea del Cielo
Rancho Santa Fe, California 92067
Safety Center

BOARD OF DIRECTORS

Michael T. Hogan
PRESIDENT
Sandra Johnson
VICE PRESIDENT
Dana Frieauf
Andy Menshek
Ken Westphal

THURSDAY, FEBRUARY 5, 2026
9:00 a.m.

Albert C. Lau, P. E.
GENERAL MANAGER

Assistance for the disabled: The District meeting facility is accessible to persons using wheelchairs and others with disabilities. Agendas are available in large print. Materials in alternative formats and other accommodations will be made available upon request. Please make your request for alternative format or other accommodations, to the Board Secretary at 858-756-2424 or via email to cmcdowell@sfidwater.org. Providing at least 72 hours' notice prior to the meeting will help to ensure availability.

This meeting will be held at the above date, time, and location, and Committee members and members of the public may attend in person. Members of the public may also participate virtually. Additional details on in-person participation and virtual public participation are below. Please note that in the event of technical issues that disrupt virtual public participation or disrupt the livestream of the meeting, the meeting will continue, unless otherwise required by law, such as when a Director is attending the meeting remotely pursuant to certain provisions of the Brown Act.

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<https://us02web.zoom.us/j/82385969139?pwd=N4I5X0SyLKEoTxAHVyHP9RRmlQCt7e.1>

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Instructions for Members of the Public Who Wish to Address the Water Resources Committee:

Individuals may address the Committee during Oral Communications (for items not appearing on the posted agenda which are within the subject matter jurisdiction of the District) and regarding items listed on the posted agenda during the deliberation of the agenda item, as follows:

A. Instructions for Making Public Comment for Those Attending In-Person:

Members of the public desiring to address the Committee in-person for either items appearing on the posted agenda or during Oral Communications (for items not appearing on the posted agenda which are within the subject matter jurisdiction of the District) are asked to complete a speaker's card, available at the table near the entrance and present it to the Board Secretary prior to the start of the meeting. Speakers are asked to state their name, address, and topic, and to observe a time limit of three (3) minutes each.

B. Making Public Comment for Those Not Attending In-Person:

Members of the public who wish to address the Committee under Oral Communications or on specific agenda items **who are not attending in person** may do so as instructed below:

1. To provide **verbal comments during the meeting**, join the Zoom meeting by computer, mobile phone, or dial-in number. On Zoom video conference by computer or mobile phone, use the "Raise Hand" feature. This will notify the Board Secretary that you wish to speak during Oral Communications or on a specific agenda item. If joining the meeting using the Zoom dial-in number, you can raise your hand by pressing *9. Speakers are asked to state their name, address, and topic, and to observe a time limit of three (3) minutes each.
2. You may send **written comments** to the Board Secretary for receipt **no later than 7:30 am on February 5, 2026**, to be read during the appropriate portion of the meeting. Written comments must be limited to 300 words/ have a reading limit of 3 minutes for each comment and emailed to cmcdowell@sfidwater.org, mailed to the attention of Celina McDowell, Board Secretary, SFID, P. O. Box 409, Rancho Santa Fe, CA 92067, or physically deposited in the District's payment drop box located in the public parking lot at the District's Administrative Office at 5920 Linea del Cielo, Rancho Santa Fe, California 92067.

ROLL CALL – CALL MEETING TO ORDER

ITEMS TO BE ADDED TO THE AGENDA

(Government Code Section 54954.2)

ORAL COMMUNICATIONS ON ITEMS NOT APPEARING ON THE AGENDA

Opportunity for members of the public to address the Committee (Government Code Section 54954.3) Individuals may address the Committee regarding items not appearing on the posted agenda, which are within the subject matter jurisdiction of the Committee, at any time. Comments and inquiries pertaining to items listed on the agenda will be received during the deliberation of the agenda item. Speakers are asked to state their name, address, and topic, and to observe a time limit of three (3) minutes each. Members of the public desiring to address the Committee are asked to complete a speaker's card, available at the table near the entrance, and present it to the Board Secretary prior to the start of the meeting.

ACTION AND DISCUSSION ITEMS

1. Minutes from December 1, 2025, Water Resources Committee Meeting (pages 4-6)

2. Approval of an Encroachment Agreement for 117 Plaza Street, Solana Beach (APN 298-010-45-00; Pillbox Tavern) (pages 7-14)
3. Review and Discuss Corporate Yard Options and Authorize the General Manager to retain Consultants and Advisors to prepare for the Purchase and Sale of Real Property (pages 15-37)
4. Updates Regarding the California Air Resources Control Board (CARB) Advanced Clean Fleet Regulation & Consider Executing Purchase Contract for the Replacement of (1) Light Duty Work Truck (pages 38-43)
5. Authorize the General Manager to Execute Purchase Order with Xylem for the Purchase of an In-Kind Replacement of Online Total Organic Carbon Analyzer (pages 44-46)
6. Water Supply Update (page 47)
7. Review of Future Agenda Items (pages 48-49)

REPORTS

8. Capital Improvement Projects Update (verbal)
9. Director of Engineering Services Report (verbal)
10. Director of Distribution System Report (verbal)
11. Director of Water Treatment Plant Report (verbal)
12. General Manager's Report (verbal)
13. Committee Members' Comments (verbal)

CLOSED SESSION – NONE

ADJOURN - *Next scheduled Water Resources Committee meeting: Thursday, March 5, 2026 @ 9:00 a.m.*

MINUTES
WATER RESOURCES COMMITTEE
Santa Fe Irrigation District

December 1, 2025
Santa Fe Irrigation District
5920 Linea del Cielo, Rancho Santa Fe, CA

PRESENT: Chair Ken Westphal, Director Andy Menshek, General Manager Al Lau, Board Secretary Celina McDowell, Director of Engineering Services Marissa Potter, Director of Distribution System Chris Bozir, Director of Water Treatment Plant Tim Bailey, Public Communications Officer Teresa Penunuri, and Management Analyst Mackenzie Christie.

Chair Westphal called the meeting to order at 9:02 a.m.

ORAL COMMUNICATIONS – None

ACTION AND DISCUSSION ITEMS

1. MINUTES FROM NOVEMBER 6, 2025, WATER RESOURCES COMMITTEE MEETING

The Committee approved of the minutes as presented.

2. CONSIDER AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH HOCH CONSULTING FOR ADDITIONAL CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES FOR THE BELL RANCH ROAD AT S. NARDO AVE-OCEAN RANCH ESTATES PROJECT

DES Potter presented the item, provided an update on the bidding process, and responded to questions from the Committee.

After discussion, the Committee supported staff's recommendation and directed staff to move the item forward for full Board consideration at their regular December meeting as a Consent item.

3. SAN DIEGUITO DAM LEAK REPAIR UPDATE

DES Potter presented the item, provided an update on the bidding process and responded to questions from the Committee.

This item is only an update, and no action is required from the Committee. Bids are due on December 4, 2025, and full approval for contract award will be presented to the Board at their regular December meeting.

4. WATER SUPPLY UPDATE

MA Christie provided the following updates utilizing a PowerPoint presentation and responded to questions from the Committee:

- Seasonal temperature and precipitation outlook
- Local and statewide water supply capacity
- Colorado River basin snow/rain surveys
- Lake Powell/Lake Mead current capacities

5. REVIEW OF FUTURE AGENDA ITEMS

The Committee approved the item as presented.

REPORTS

6. CAPITAL IMPROVEMENT PROJECTS (CIP) UPDATE

No new updates.

7. DIRECTOR OF ENGINEERING SERVICES REPORT

DES Potter reported that staff are currently working on seven private development projects and conducting reviews.

8. DIRECTOR OF DISTRIBUTION SYSTEM'S REPORT

DDS Bozir provided the following updates:

- No public safety power shutoffs (PSPS) to date
- Wrapping up the FY25 water loss audit by the end of the month
- Staffing update
- Procurement of wildland fire PPEs and a water emergency trailer with assistance from Helix Water District
- Grant application submitted to JPIA in the amount of \$10,000 for wildland gear

9. DIRECTOR OF WATER TREATMENT PLANT'S REPORT

DWTP Bailey provided the following updates:

- A new mechanic was promoted from within the District
- Fencing for SDR was completed for the entire backend
- Monitoring Lake Hodges level closely
- Released water from SDR from the last rain due ensure level is below porta dam

10. GENERAL MANAGER'S REPORT

GM Lau noted that this week is the ACWA conference, which will be attended by several staff members and directors. Consultants are working diligently on the facilities plan per Board direction, and an update will be presented in January 2026.

11. COMMITTEE MEMBERS' COMMENTS – NONE

CLOSED SESSION – NONE

ADJOURN

Chair Westphal adjourned the meeting at 9:32 a.m.

Ken Westphal, Chair



The mission of Santa Fe Irrigation District is to meet the water supply needs of all its customers — safely, sustainably, reliably, and cost-effectively.

BOARD REPORT

TO: Water Resources Committee

FROM: Albert C. Lau, General Manager

INITIATED BY: Marissa Potter, Director of Engineering Services

DATE: February 5, 2026

SUBJECT: Approval of an Encroachment Agreement for 117 Plaza Street, Solana Beach (APN 298-010-45-00; Pillbox Tavern)

Strategic Focus Area:

Goal 2: Customer Service Focus and Communication

Recommendation:

It is the Staff recommendation that the Water Resources Committee recommend that the Board of Directors:

1. Approve an Encroachment Permit across District Public Water Infrastructure for Pillbox Tavern's (APN 298-010-45-00) proposed outdoor dining deck (Deck); and
2. Discuss and take other action as appropriate.

Alternatives:

Not allow encroachment agreement and provide directions to staff.

Discussion:

On November 12, 2025, Santa Fe Irrigation District (District) received a Dig-Alert ticket for 117 Plaza Street (Pillbox Tavern) located in the City of Solana Beach (City). During the onsite mark out of District facilities, District staff was informed, by the Contractor, that the Owner of Pillbox Tavern (Owner) was proposing an outdoor dining deck structure (Deck), within the park lot, as shown in Attachment A. District staff received no prior notification of the proposed development; however, based on field discussions, the Pillbox Tavern received approval to construct within the right-of-way by the City. The District has a 10-inch PVC water main and four water laterals and services within the area of the proposed Deck. Once the pipeline and services were field identified, the District staff reached out to the City and property Owner to limit construction due to the potential impact to the critical infrastructure.



In December 2025, the engineer of work, for the proposed Deck, submitted plan check fees and final plans to the District. However, the Owner proceeded to construct the Deck without additional follow up with District staff or the City. The City assisted the District by halting construction until the Owner received an encroachment permit for the construction across and near the existing infrastructure. In late December 2025/January 2026, the District received the deposit for the District Encroachment Permit, the requested property title report for APN 298-010-45-00 and other appurtenant documents.

With the locations of the existing encroachments identified, District staff reviewed the existing encroachments and have determined that the depths and locations of the existing encroachments will not adversely impact the District's water services during normal operation but may impact the District's ability to quickly perform maintenance or emergency repairs. Therefore, in the draft District Encroachment Permit, District staff have included, in the encroachment permit the necessary indemnification for damage that may have occurred during construction and the prompt removal of the Deck encroachment, if and when the District is in need of access to the water facilities in the case of emergency or maintenance, at no cost to the District.

The Owner will be required to provide a legal description and survey exhibit of the metes and bounds of the Deck encroachment, sign and notarize the District Encroachment Permit documents, and pay any outstanding fees, prior to recordation. The draft District Encroachment Permit has been reviewed by General Counsel and is included as Attachment B.

District staff recommends the Water Resources Committee recommend the Board of Directors grant the Owner of 117 Plaza Drive, Solana Beach (APN 298-010-45-00) a District Encroachment Permit for the Pillbox Tavern Deck encroachment.

Fiscal Impact:

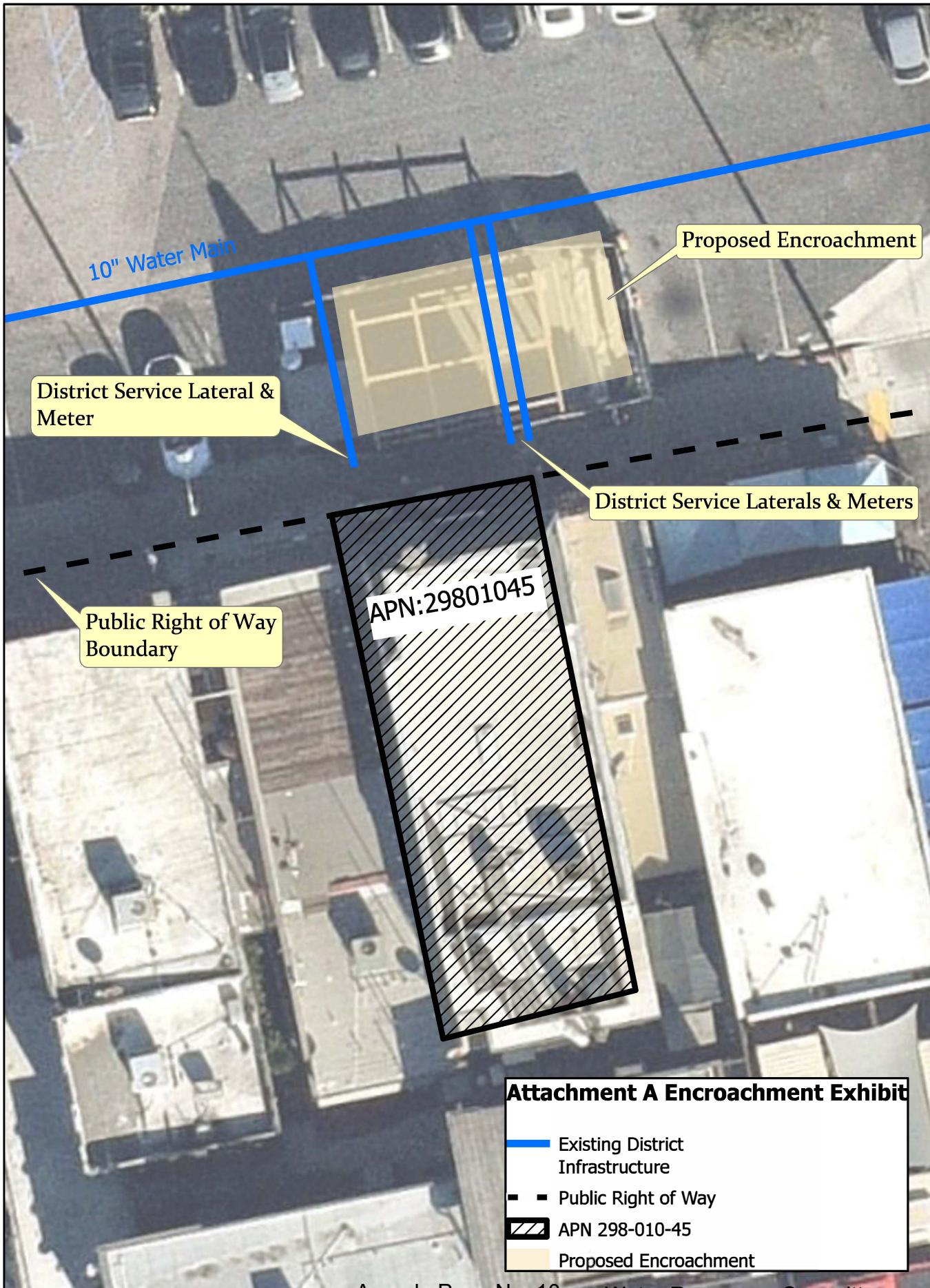
In accordance with the Administrative Code, the property owner deposited \$2,698 for costs associated with the plan check and the encroachment permit. All District reviews and coordination are on a time and material basis. Any costs over those collected will be reconciled and total fees will be collected prior to recordation of the encroachment permit.

Attachment A: Encroachment Exhibit

Attachment B: Draft District Encroachment Permit

ATTACHMENT A

Encroachment Exhibit



ATTACHMENT B

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

Santa Fe Irrigation District
Post Office Box 409
Rancho Santa Fe, CA 92067

DOCUMENTARY TRANSFER TAX: \$0

INITIALS _____

THIS DOCUMENT BEING RECORDED
FOR THE BENEFIT OF A PUBLIC AGENCY
(PER GOV. CODE, § 6109)

APN: 298-010-45-00

ENCROACHMENT PERMIT

This Encroachment Permit (“Permit”) is entered on _____, 2026, by and between the Santa Fe Irrigation District (“SFID”), a public agency in the State of California, and Grant L. Fletcher, Trustee of the JKC Trust dated August 25, 2008 (“Permittees”).

RECITALS

A. Permittees are the Owners of real property, described as:

The North 70 feet of Lot 7 in Block 16 of Solana Beach, in the City of Solana Beach, County of San Diego, State of California, according to Map thereof No. 1749, filed in the Office of the County Recorder of San Diego County, March 5, 1923, (APN 298-010-45-00), commonly known as 117 Plaza Street, City of Solana Beach (“Property”).

B. A public right-of-way fronts the Property to the north (“Right-of-Way”).

C. Pursuant to its statutory franchise rights under Water Code section 22431, SFID owns and maintains certain facilities within the Right-of-Way, including, but not limited to, three (3) 1-inch public water laterals, three (3) 0.75-inch public water meters, a 10-inch water main pipe, fittings, and appurtenances.

D. Permittees desire that SFID allow improvements on and within the Right-of-Way. The improvements requested by Permittees are referred to as “Encroachments,” and are described herein and located as shown in **Exhibit A**, attached hereto and incorporated herein.

AGREEMENT

SFID consents to allowing Permittees to encroach into and upon the Right-of-Way solely as described under the terms of this Permit and subject to the following conditions:

1. **Description of Encroachments.** Permittees will comply with the plans attached hereto as Exhibits __, __, and __, any special provisions which may be attached to this Permit, and all SFID resolutions, standards, and specifications, including, but not limited to, those set forth in SFID's Administrative Code. Permittees' use will not exceed the Encroachments described in this Permit or otherwise impact SFID's use of the Right-of-Way. Permittees will protect any appurtenant facilities to the Right-of-Way, including, but not limited to, water service pipelines, meter boxes, and valves. Any Encroachments exceeding those described in this Permit are contrary to the terms of this Permit and will constitute a default, entitling SFID to terminate this Permit at SFID's sole and exclusive discretion. Permittee will provide at least 48 hours' notice to SFID prior to commencing any work on the Encroachments, and coordinate in good faith with SFID so that SFID can attend the work as it is conducted. If Permittees fail to notify SFID as provided herein, SFID may terminate this Permit.
2. **Termination.** This Permit shall be valid from the date of full execution. All conditions shall remain in effect for the duration of the Permit, except the hold harmless/indemnity provisions, which shall survive expiration of this Permit. SFID may terminate this Permit at any time in its sole and exclusive discretion by written notice of termination given ten (10) days prior to the date of termination.
3. **Removal of Improvements.** All costs associated with clearing the Right-of-Way either at the inception or termination of this Permit, including paving, fencing, or walls, if any, shall be the sole responsibility and cost of Permittees. Upon termination, Permittees shall immediately remove all Encroachments and otherwise restore the premises or structures to a condition satisfactory to SFID within 30 days of termination. Should Permittees fail to restore the premises or structures, SFID may make repairs or have said repairs made, and Permittees will be invoiced and shall reimburse SFID upon receipt of said invoice for all costs incurred.
4. **Hold Harmless/Indemnity.** SFID shall not be held liable for any damage to Permittees' property, SFID property, or third-party properties that may result from the installation, maintenance, or use of the Encroachments permitted by this Permit. Any and all damages are the responsibility of Permittees. Permittees shall indemnify, defend, and hold harmless SFID, its officers, Directors, employees, and agents ("Indemnitees") from any and all losses, costs, attorneys' fees, expenses, claims, liabilities, actions, or damages, including liability for injuries to any persons or damage to property arising at any time during and/or arising out of or in any way connected with Permittees' activities under the terms of this Permit, unless solely caused by the gross negligence or willful misconduct of SFID, its officers, Directors, employees, or agents. As an express and material term of SFID's issuance of this Permit, Permittees agree to defend, at their sole expense and with counsel of SFID's choosing, the Indemnitees from and against any and all claims and actions arising out of or related to the Encroachments and/or this Permit. Permittees' duty to defend shall apply immediately upon demand from the Indemnitees for any injury or death to persons or damage to property occasioned by reason of or arising out of the acts or omissions of Indemnitees and/or the acts or omissions of Permittees, their agents, employees, contractors, subcontractors, tenants, and/or any other person or entity

performing work authorized by this Permit. SFID shall not be responsible for monitoring the Permittees' compliance with any laws or regulations. If the Permittees perform any work contrary to laws or regulations, the Permittees shall bear all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to such work.

5. **Costs and Damages.** Permittees shall reimburse SFID for all costs incurred and damages suffered by SFID by reason of Permittees' encroachment upon, and use of, the Right-of-Way.
6. **Covenant Running with the Land.** Permittees' duties and obligations are a covenant running with Permittees' land and shall be binding upon and inure to the benefit of successors in interest of the respective parties.
7. **Maintenance.** The Encroachments, including but not limited to paving or other surfacing materials installed across the Right-of-Way, shall be maintained in a safe and sanitary condition at the sole cost, risk, and responsibility of Permittees. The parties acknowledge that from time to time, SFID may need to excavate and perform work within the Right-of-Way. Any replacement or repair of damage to the Encroachments, including, but not limited to, paving or other surfacing materials in the Right-of-Way, caused by either Permittees' or SFID's operations, excavation, repair, maintenance, or construction requirements, and/or SFID's exercise of its rights, shall be the sole responsibility of the Permittees and at the sole cost and expense of the Permittees.
8. **No Waiver.** Any failure by SFID to strictly enforce any one or more terms of this Permit shall not constitute a waiver of SFID's right to enforce such terms in the future.
9. **Amendment.** This Permit may only be amended in writing and if executed by both parties.
10. **Notice.** Notices under this Permit shall be given by first class mail, to the following:

SFID:

Santa Fe Irrigation District
Post Office Box 409
Rancho Santa Fe, CA 92067
Attn.: Marissa Potter, Director of
Engineering Services

Permittees:

Grant L. Fletcher
601 West Circle Drive
Solana Beach, CA 92075

Written notice under this Permit shall be deemed delivered three (3) days after mailing.

11. **Effect of Invalid Section.** If any section or part of this Permit is determined to be unenforceable or invalid, that section or part shall be stricken from this Permit and the remainder may be enforced according to its terms.

12. **Entire Agreement** This Permit constitutes the entire agreement between the parties and supersedes any prior or contemporaneous agreements, oral or written, regarding the subject matter contained in this Permit.
13. **Assignment.** Permittees may not assign this Permit without the written consent of SFID.
14. **Attorney Fees.** In the event of any controversy, claim or dispute arising out of or relating to this Permit or the violation of any covenant contained herein, the prevailing party shall be entitled to receive from the losing party reasonable expenses, including attorneys' fees and costs.
15. **Additional Conditions.** SFID or its designated representative may, either at the time of the issuance of this Permit or at any time thereafter, prescribe such additional conditions as it may deem necessary for the protection of the public property or for the prevention of undue interference with traffic or to assure public safety.

IN WITNESS WHEREOF, the parties hereto have executed this Encroachment Permit on this _____, day of _____, 2026.

SANTA FE IRRIGATION DISTRICT

Signature

Albert C. Lau. General Manager

Print Name

Date

PERMITTEES

Signature

Grant L. Fletcher

Print Name

Date

(ALL SIGNATURES TO BE NOTARIZED)



The mission of Santa Fe Irrigation District is to meet the water supply needs of all its customers — safely, sustainably, reliably, and cost-effectively.

BOARD REPORT

TO: Water Resources Committee

FROM: Albert C. Lau, P. E.

INITIATED BY: Marissa Potter, Director of Engineering Services

DATE: February 5, 2026

SUBJECT: Review and Discuss Corporate Yard Options and Recommend that the Board of Directors Authorize the General Manager to retain Consultants and Advisors to prepare for the Purchase and Sale of Real Property

Strategic Focus Areas:

GOAL 3. Cost-Effective, Resilient Infrastructure and Operations

Recommendation:

It is the Staff recommendation that the Water Resources Committee recommend to the Board of Directors to:

1. Review and discuss of Corporate Yard Options and provide directions to Staff for the preferred Option.
2. Authorize the General Manager to undertake activities to move forward with the preferred Option to prepare for the purchase and sale of real property, to include, but not limited to, entering into agreements for:

- a. Brokers and Other Real Property Consultants
 - b. Appraisers
 - c. Surveyors
 - d. Environmental Experts
 - e. Land use consultants with expertise in subdivisions, lot line adjustments, and rezoning
 - f. Other required Consultants.
3. Authorize the General Manager, consistent with Board direction, to engage a qualified financial advisor to evaluate and explore private financing opportunities and related funding alternatives for the District Corporate Yard.

Background:

The Santa Fe Irrigation District (District) main offices and corporate yard are located at 5920 Linea Del Cielo (existing Corporate Yard). The District has provided over 100 years of service from its current location. The District has adapted to the demand of the community while maintaining consistent levels of service and efficiency. In 2009, the District installed the current trailers used today. The trailers were originally permitted for 3-years as temporary facilities and received a waiver from the Rancho Santa Fe Fire Protection District construction requirements due to the “temporary” status. In 2024, District Staff contracted with MBN Group, Incl, (MBN), an architectural company, to complete a Facility Needs Assessment. The 2024 Facility Needs Assessment (Needs Assessment) concluded that the District's site is required to be upgraded to meet existing and future regulatory drivers which include, ADA compliance, seismic resilience, additional power to support future electric vehicle implementation, other new regulations and compliance requirements.

At the February 6, 2025, Water Resources Committee (WRC) meeting, the District Staff presented the Needs Assessment and other potential alternatives and options to explore for a District Corporate Yard. Currently, the existing District corporate yard consists of 14,678 square feet of buildings on 3.23 acres of land. Based on the findings of the 2024 Needs Assessment, the total building space needed is approximately 23,300 square feet to meet the current and future needs of the District headquarters (administrative/engineering/IT, etc.) and Operations (distribution/construction/safety, etc.). The findings also indicated that a total site space requirement of approximately 3 acres of land is needed.

As presented previously, the recommendation of the 2024 Needs Assessment proposed two potential scenarios to address the District's facility needs:

- Alternative 1: Corporate Yard - all District Staff and Operations located at the existing facility and construct all new facilities.
- Alternative 2: Administrative Building and Operations Center at separate locations – Operations Staff, materials, and equipment at the existing facility and a separate Administrative Facility located at an offsite location.

At the June 5, 2025, WRC meeting and June 19, 2025, Board of Directors meeting, Staff reviewed and discussed the assessment of the corporate yard location alternatives. The discussion included reviews of advantages and disadvantages of the following sites:

- Current Corporate Yard
- Lerrick Reservoir Site
- San Dieguito Reservoir site
- R.E. Badger Filtration Plant site
- San Dieguito Park site (District does not own unless certain conditions are triggered by the County)

Following review, the Board directed Staff to engage with a professional property appraiser to provide valuation of non-essential District owned properties to offset the costs of a new facility and to develop implementation and finance options maximizing the use of the current corporate yard site.

At the October 16, 2025, Board of Directors meeting, Staff reviewed the property appraisals for District owned properties, reviewed pros and cons of four options that maximize the use of the current corporate yard site and reviewed the potential financial strategy options.

The property appraisals included the following District owned sites:

- 440 Glenmont Drive, Solana Beach – appraised at approximately \$4.3M; and
- A portion of 5920 Linea del Cielo, Rancho Santa Fe – appraised at approximately \$3.1M; and
- 6310 El Montevideo, Rancho Santa Fe – appraised at \$2.825M (co-owned by the District and San Dieguito Water District at 57.23% and 42.67%, respectively).

Staff review the following four options with the Board of Directors:

- Option 1 – Remove existing trailers and replace them with new trailers with available ADA compliance modification.
- Option 2 – Build all new facilities at 5920 Linea del Cielo, RSF site which follows the recommendations of the Facilities Assessment Report.
- Option 3 – Build all new facilities using prefabricated buildings at 5920 Linea del Cielo, RSF site which follows the recommendations of the Facilities Assessment Report.
- Option 4 – Buy New Administrative Building (2-phases) and develop existing site as an Operations Yard only.

Below is a summary table of the pros and cons and costs of the four options that maximize the use of the current corporate yard site.

Summary Table				
	Option 1 – Replace Temp Trailers	Option 2 – DBB New Corp Yard Bldg.	Option 3 – Prefab New Corp Yard Bldg.	Option 4 – Admin Bldg. and Ops Yard
All Staff on site	Y	Y	Y	N
Meets Fire	N	Y	Y	Y
Meets Seismic	N	Y	Y	Y
Meets ADA	Y	Y	Y	Limited
Design Flexibility	N	Y	N	Y
Utility Relocation	N	Y	Y	Limited
Extensive Construction and Noise	N	Y	Limited	N
Customer Service Interruption due to Relocation for Construction	N	Y	Y	N
Estimated One-time Capital Cost	\$3M	\$37-48M	\$30-40M	\$23-\$28M
Life Cycle Capital Cost	\$15M	\$37-48M	\$30-40M	\$23-\$28M

Staff reviewed the following potential financing strategies for the option presented, which included new construction and/or the acquisition of a new property(ies) to replace the currently deficient District administration, engineering, and distribution facilities will be a significant capital outlay. The preferential financing strategy to accomplish this capital outlay would be one that minimizes ratepayer impact. To accomplish this, Staff developed a strategy that encompasses four potential items:

1) Capital contribution reduction, 2) Fund balance for future rate-payer benefit utilization, 3) Dedication of incremental property tax revenues, and 4) Long-term financing. These four items in greater detail are as follows:

1. The District currently owns two residential properties in Rancho Santa Fe and Solana Beach. These properties were historically for employees to tend to these reservoirs; however, in the recent past, without this need, they have been rented out as market rate housing. These properties could be sold at market prices to generate approximately \$5-7M million in revenues to offset these facilities outlay.
2. The current Board designated set-aside of District fund balance for balances outlined by the Reserve Policy total \$35.0 million. As of FY25, the total District fund balance was approximately \$9.7 million left for future rate-payer benefit. This figure will change for FY25 based on the Board's designation of reserves, in addition to the final fund balance reconciliation. A portion of the total amount of this amount for future rate-payer benefit is available to offset the capital cost for these facilities.
3. The District receives a portion of the base 1% property tax paid by all residents within the District. This revenue source does not add any additional cost pressure to District residents, as even without the District receipt of these funds, our ratepayers would still be paying the same amount of property taxes. Growth of this revenue source is based on Proposition 13 levels (limiting existing owner's payments to an annual maximum growth of 2% but based on CPI) in addition to re-valuations when properties are sold and their tax bases are reset (called supplemental tax revenues). Over the last 10 years, this revenue source has grown from \$2,080,791 to \$3,546,975, a growth of \$1,356,043 or 61.9% (an average of 5.5% growth per year). To help offset the cost of these facilities, and still provide rate relief from property tax revenues, the District may contribute this property tax growth on an annual basis towards new facilities. If the District were to contribute the same level of property tax revenue as received in FY25 to offset potable water rates, but utilize the incremental growth of property tax revenues (and based on the historical growth rate of 5% per year), which includes the maximum Proposition 13 growth rate of 2%, plus re-assessments/ supplemental property tax based on home sales in the District that reset assessed value), this incremental property tax revenue growth would generate a total of approximately \$13 million and \$59 million in new revenues over a 10-year period, and 20-year period, respectively, beyond the \$3.5M base that could be dedicated to these capital facilities. If the District were to contribute the same level of property tax revenue as received in FY25 to offset potable water rates, but utilize the incremental growth of property tax revenues (and based on the more conservative Proposition 13 maximum growth per year of 2% per year), this incremental property tax revenue growth would generate a total of approximately \$4 million and \$17 million in new revenues over a 10-year period, and 20-year period, respectively, beyond the \$3.5 M base that could be dedicated to these capital facilities.

Following the discussion, the Board directed Staff to do the following:

- Continue engagement with the land development engineer to segregate the non-essential properties from essential properties in a manner that preserves the District's operational flexibility.
- Actively evaluate the facility planning and financial strategies that will not have a rate impact on customers, including consideration of a hybrid approach that combines Options 1 and 3, and compare with the current preferred Option 4.

Discussion:

Land Development – District Staff engaged land management companies to discuss the Subdivision and Rezoning of 440 Glenmont Drive, Solana Beach and 6310 El Montevideo, Rancho Santa Fe. Depending on whether the property lies within the City of Solana Beach or the County of San Diego, the proposed parcels being conveyed may be subject the following requirements:

1. The Surplus Land Act (SLA)
 - a. The SLA was overhauled by the State Legislature in recent years and now generally requires advertising real property to affordable housing developers, government entities capable of developing housing, open-space governmental entities, and school districts, and negotiating with them in good faith prior to selling surplus land. The general surplus land process usually takes about 6 months if parties express interest in the land.
 - b. The District is likely entitled to an exemption from the SLA because the District would be selling the properties to fund a redevelopment of District property to support District work and operations. For District real property outside of the coastal zone, this exemption would significantly reduce the timeframe for SLA compliance and then allow the District to sell its real property on the open market. However, for District real property located in the coastal zone, there is an exception to the SLA exemption which still requires the District to follow the surplus process for open space uses—meaning properties in the coastal zone will require the District to issue notices to open-space governmental parks and recreation entities and potentially negotiate with them, which can take up to 6 months. If no parties express interest in the land through the SLA process, or if the parties do not come to terms with the District, the District can proceed to sell its real property on the open market.
 - c. Staff anticipate initiating the SLA process for all properties by seeking the Board's adoption of resolutions declaring the properties to be exempt surplus land. Staff would then comply with relevant SLA procedures for all properties. Staff can proceed with the additional steps outlined below to prepare for disposition during the SLA process.

2. Rezoning, and sale, will trigger California Environmental Quality Act (CEQA) compliance for the subject properties.
3. Boundary survey needed for parcel split and associated plat and legal requirements to support the rezone.
 - a. Aerial topographic map
 - b. Boundary survey
 - c. Preparation of legal descriptions and exhibits for parcels to be conveyed
4. Identification of setback requirement for defensible space.
5. Review of fuel modification around parcel.
6. Certificates of Compliance from the land use entities
7. Submittal of brief letters to the planning agencies having jurisdiction over the properties in compliance with Government Code Section 65402, outlining the location, purpose, and extent of the dispositions of real property.

Additionally, the District will need to adopt resolutions initiating the SLA, subdivision, rezoning, and CEQA processes, and authorizing the execution of purchase and sale agreements with willing buyers.

In order to preserve the District's operational flexibility, District Staff are reviewing the following subdivision areas for each of properties.

440 Glenmont Drive – District Staff identified two parcels, each with the approximate size of 8,000-square feet (sf) which is similar in size to the parcels along Glenmont Drive which range from approximately 6,500-sf to 10,000-sf. Although there is likely

an exemption from the SLA, there is separate SLA requirement that parcels in the coastal zone are subject to. The District must notice and provide opportunities for city and county parks departments, and the State Natural Resources Agency ("Parks Entities") to negotiate the sale of the property for fair market value. Prior to identifying the parcel for sale, the District is obtaining a new appraisal for the proposed parcels. Once the notification to the Parks Entities is provided, a negotiation period of 90 days begins if any Parks Entities are



interested in the property. The parcels will require a City of Solana Beach Certificate of Compliance which states the property meets all the identified conditions prior to the sale.

6310 El Montevideo – As identified previously, this property is located within the County of San Diego and is approximately 2.4-acres and includes the current house building and open space. The proposed parcel is jointly owned by District and San Dieguito Water District (jointly “Districts”). The Districts jointly own four parcels, within the area including the San Dieguito Reservoir and Dam, totaling approximately 114-acres. In order to minimize the time to complete a lot split and rezone, approximately 2-3 years, the land development consultant recommended that a lot line adjustment between the jointly owned properties would accomplish the same task. The proposed new lot line adjustment would be submitted to the County of San Diego for approval and Certificate of Compliance. The lot line adjustment would achieve the same goal with an approximately timeline of 9-12 months.



Portion of 5920 Linea del Cielo is approximately 0.65 acres and includes the current administrative building, parking area, and open space. To ensure the most operational flexibility, this site was not further evaluated since the existing building and site are included in the further evaluation and use in the presented Options below.



Evaluation of Options: Based on the input of the Board, District Staff further considered a hybrid approach that combines Options 1 – Replacement of the Trailers and 3 – Prefabricated Buildings and compare with Option 4 – Buy new Administrative Building (two phases) and develop existing site as an Operations Yard only.



- Hybrid Option (1/3) – Replace Temporary Trailers with Prefabricated Buildings and redevelop to site.
- Option 4 – Buy a new Administrative Building (two phases) and develop existing site as an Operations Yard only

Additionally, District Staff contracted with MBN Group evaluated Hybrid Option which replaces the trailers with installation of prefabricated structures, redevelopment of the Operations yard and modifications to the existing administrative building for all facilities at 5920 Linea del Cielo, RSF site. The Draft report is included for reference.

Hybrid Option – Replace Temporary Trailers with Prefabricated Structures and Rehab Administrative Building

Description: Remove existing trailers and replace prefabricated structures for Engineering/IT, Operations, Small Equipment Storage, Warehouse, Mechanic Shop (total square footage of 12,150) and Renovate Administrative Building

Estimated Cost: \$24M-\$29M

Estimated Life Capital Cycle Cost at Present Value over 50 years: \$24M-\$29M

Potential Financial Strategy: Discussed in detail below

Pros	Cons
All Staff on site	Temporary relocation of Administration and Engineering during Construction - 8,000-square foot rental space
Modules built off-site, reducing noise, dust, and traffic	Detailed phasing plan required and relocation of operations vehicles and equipment to maintain operation
Faster Installation, minimizing disruption to ongoing operations	<ul style="list-style-type: none"> • Design constrained by module dimensions, transport logistics, and structural repetition
Factory-controlled timelines	Requires specialized hauling and cranes; weather or access issues can delay installation
Staging Flexibility – modules can be craned in during off-hours	Integration of Complexity tie-ins between systems
	Temporary off-site facilities required for Staffing

Hybrid Option estimated costs include 12,150 square feet of pre-fabrication buildings, transportation/delivery, heavy equipment, building site prep, mechanical, electrical, and plumbing connections, specific new building grading, total site underground utility relocation (overhead power), site remediation and grading, specialized engineering

and environmental compliance, demolition of all building (including foundations and utilities), and Administrative building renovation. The estimated costs include markups by the general contractor and general soft costs for a complete project.

Option 4 – Buy New Administrative Building (2-phases) and develop existing site as an Operations Yard only

Description: Buy building and relocate Administration and Engineering to new building with some tenant improvements (\$12M); and relocate Distribution to existing Administration building with some tenant improvements, replace operations yard buildings with prefabricated structures, build yard to address storm water, electrification compliance, and storage (\$11.2M-\$15.6M)

Estimated Cost: \$23M-\$28M

Estimated Life Cycle Capital Cost at Present Value over 50 years: \$23M-\$28M

Potential Financial Strategy: Discussed in detail below

Pros	Cons
Enhance the site for operational efficiency with all the additional compliance requirements.	Separating Administration/Engineering/Distribution
Customer Service would be at new building, and one person would manage the front office for deliveries or route calls to new Administration office	
Flexibility in temporary relocation of Staff	
Ability to sell or rent the asset at a later date	

Option 4 estimated costs include 2,250 square foot of pre-fabrication buildings, transportation/delivery, heavy equipment, building site prep, mechanical, electrical, and plumbing connections, specific grading at and around each building, minimal underground utility relocation (protect overhead power in-place), site remediation and grading, specialized engineering and environmental compliance, demolition of all building (including foundations and utilities), and Administrative building renovation. The estimated costs include markups by the general contractor and general soft costs for the Ops Yard and an additional \$12M in the purchase of a building with tenant improvements. The most significant difference between the Hybrid option and Option 4 is that Option 4 would allow the District to retain/acquire another land that is not depreciable; buildings will be depreciated but the land will not.

Potential Financing Strategy and Approaches to Bridge the Financial Gap: The two separate scenarios for new District facilities that Staff were directed to explore have multiple different financing strategies that could be implemented in part or in whole for acquisition and /or construction. Staff have reached out to multiple lenders (California Special District Association Finance Corporation and US Bank) to determine what the possible terms of construction, short-term, and long-term financing would look like in the current environment. These financing opportunities would be through a direct loan placement through a financial institution instead of issuance of District bonds due to

the comparatively small size of the transaction. Staff are still awaiting these responses and will provide the Board with an update when these terms are provided.

The District is currently in a positive financial condition due to the availability of some local water from Lake Hodges, though its ongoing availability is in doubt due to water quality and short term actions required by the Division of Safety of Dams that may potentially create a new dam opening at 265' elevation to "ensure dam safety" that would completely eliminate the District's ability to rely on its use. Currently, the Board of Directors has designated a total of \$30.5 million in total reserves according to the District's Reserve Policy. This represents approximately 342 days of cash on hand for operating expenditures as projected in the FY26 Mid-Year budget monitoring report (Report), which is a healthy level of reserves available for capital and unforeseen/projected expenditures. The Report also projects that year-end funds for future ratepayer benefit (fund balance above designated reserves) would total approximately \$12.8 million (total year-end fund balance of \$43.2 million 486 days of cash on hand). However, Staff's recommendation to the Administrative & Finance Committee (AFC) is that an additional \$2.3 million of funds for future ratepayer benefit be designated to the Lake Hodges Fund to provide a set-aside for upcoming estimated legal costs for the lawsuit against the City of San Diego. This would potentially leave a projection of \$10.5 million in funds for future ratepayer benefit. These funds are available to the Board of Directors to appropriate and expend on any legally available option available to them to provide the highest and best use for ratepayers. These funds could potentially be used in part or whole to provide for a pay-as-you-go (PAYGO) financing strategy to reduce or eliminate the need for long-term financing and associated interest costs in each scenario.

Additionally, these scenarios come in two separate phases with potentially different construction and financing timelines: 1. acquisition or construction of administrative facilities, and 2. rehabilitation of the in place corporate yard. The exploration of financing opportunities currently being explored by Staff is for the first phase of this project, which encompasses approximately 70% of the total cost in each scenario (as there are shared expenditures between each phase that would be completed in increments). With Board direction on the potential timing of the second phase, Staff will then begin exploration of potential financing opportunities, which may be materially different than the first phase due to the nature of the asset.

Hybrid Scenario – Construction of New Pre-Fab Building and update the existing administrative building

This scenario would require interim construction financing that would turn into permanent financing based on a to-be-determined PAYGO and debt mix. With the hybrid option's total cost estimated at \$24-\$29 million with two potentially separate phases with costs intermingled between the two (phase 1 administrative construction, and phase 2 corporate yard). The first phase is estimated to constitute approximately 70% of the total costs, which is approximately \$17-\$20 million, with the second phase for the rehabilitation of the corporate yard is estimated to be \$7-\$9 million. If the sale of residential properties owned by the District net \$6 million that would be dedicated to PAYGO, this would leave approximately \$11-\$14 million in permanent financing.

Staff will provide an update on potential financing alternatives for the administrative facilities in each scenario, their associated financial terms (amortization and interest costs), and its integration into the long-range financial plan (to be reviewed by the AFC and Board of Directors in March). This may also include the potential utilization of funds for future ratepayer benefit to reduce interest costs.

Staff will also provide an update on the potential establishment of the incremental property tax fund that would segregate additional revenues above a baseline year to dedicate towards debt financing costs. This cash flow, from the incremental property tax, its timing, and how it matches up with required debt financing payments on an annual basis will be included at that time. This scenario will also incorporate the timing of the second phase costs for the rehabilitation of the corporate yard and financial requirements at that time.

Option 4 – Acquisition of New Building and develop current site into operational yard

For this scenario, the assumption utilized is that the Board of Directors would want to proceed on a timely basis of reviewing the market for available commercial properties available for sale in the District and to move swiftly, but prudently, on any matching available property to take advantage of the current market conditions (depressed commercial property prices) and to ensure the acquisition when available. This would require a short-term acquisition loan (potentially a line of credit) while the District goes through the divestiture process for its residential properties (and tenant improvements on the acquired property), which will provide a potential PAYGO source to reduce total financing. Of the total estimated cost of \$23-\$28 million for option 4, approximately \$7-8 million is estimated for phase 2, so approximately \$16-20 million for the acquisition and build-out of the commercial property (which would be the principal amount of the loan / line of credit). Upon completion of the sales of the residential properties, the estimated \$6 million would be utilized to partially repay this loan, with three remaining options potentially available to the Board: 1. turn the difference between principal and the PAYGO from the residential properties into permanent financing, or 2. pay off the difference with funds for future ratepayer benefit, or 3. a combination of utilization of funds for future ratepayer benefit and a lower permanent financing amount.

Staff will provide an update on the terms for these options when received from potential financing sources in addition to other information outlines are the prior scenario.

Staff recommend that the Water Recourses Committee recommend to the Board of Directors to:

1. Authorize the General Manager to undertake activities to move forward with the preferred Option to prepare for the purchase and sale of real property, to include, but not limited to, entering into agreements for:

- a. Brokers and Other Real Property Consultants
 - b. Appraisers
 - c. Surveyors
 - d. Environmental Experts
 - e. Land use consultants with expertise in subdivisions, lot line adjustments, and rezoning
 - f. Other required Consultants.
2. Authorize the General Manager, consistent with Board direction, to engage a qualified financial advisor to evaluate and explore private financing opportunities and related funding alternatives for the District Corporate Yard.

Attachment A: Draft Facility Modernization Strategy Hybrid Approach

ATTACHMENT A

SANTA FE IRRIGATION DISTRICT

Facility Modernization Strategy Hybrid Approach

DISTRICT CORPORATE SITE

5920 Linea Del Cielo Rancho Santa Fe, CA 92067

Prepared For:



DRAFT FINAL

Date: January 28, 2026

Prepared By:



11622 El Camino Real
Suite 100
San Diego, California 92130



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Executive Summary

Santa Fe Irrigation District has developed a facility modernization strategy combining prefabricated construction for five new support buildings with comprehensive renovation of the existing historic Administration Building built in 1925. This strategy delivers 16,408 square feet of modern, code-compliant, fully accessible facilities.

All District staff will require temporary relocation during construction. Temporary office facilities will be required throughout the 15-20 month project duration to maintain operational continuity. The historic Administration Building presents unique accessibility challenges: the primary entrance has steps and no secondary entrances exist, requiring an accessible ramp at the front facade. This modification necessitates extensive historical preservation review (Level 3, requiring 6-9 months for approval) and sensitive architectural design to integrate accessibility with the building's Spanish Colonial Revival character.

PROJECT COST BREAKDOWN

Component	Area / Scope	Cost Estimate
5 Prefabricated Support Buildings	12,150 sq.ft.	\$6.6M - \$8.6M
Historic Admin Building Renovation	4,258 sq.ft.	\$1.6M - \$2.5M
TOTAL PROJECT COST	16,408 sq.ft. total	\$8.2M - \$11.1M

Direct Construction Cost per Square Foot: \$500 - \$677/sq.ft.

KEY PROJECT FACTORS:

- Complete Staff Displacement:** All admin, engineering, IT, and operations staff require temporary accommodation
- Temporary Modular Facilities:** Office trailers provided on-site or nearby for 15-20 months
- Front Entrance ADA Ramp Required:** No secondary entrances exist - must modify historic primary entrance
- Extended Historical Review:** Level 3 review required (6-9 months), sensitive design mandatory
- Higher Admin Building Costs:** Front entrance ADA compliance adds \$200K-\$400K
- Prefab Efficiency Maintained:** Support buildings still complete in 8-10 months

Component 1: Prefabricated Support Buildings

Building Scope

Building	Size (sq.ft.)	Function	Occupancy
Engineering/IT	3,900	Offices, Technical workspaces	Group B
Operations	6,000	Offices, Field support, Lockers	Group B
Small Equipment Storage	600	Tool and equipment storage	Group S-1
Warehouse	1,050	Bulk storage and inventory	Group S-1
Mechanic Shop	600	Vehicle and equipment repair	Group F-1
TOTAL	12,150		

Prefabricated Construction Cost: \$6.6M - \$8.6M

Cost per Square Foot: \$543 - \$708/sq.ft.

Cost Component	Low	High
Off-site factory fabrication	\$3.6M	\$4.2M
Transportation and delivery	\$240K	\$360K
Crane installation	\$180K	\$300K
Site prep and utilities	\$360K	\$480K
MEP connections	\$480K	\$660K
Site-specific requirements (pro-rated)	\$1.7M	\$2.6M
SUBTOTAL PREFAB	\$6.6M	\$8.6M

Component 2: Historic Administration Building Renovation

Building Profile

Attribute	Details
Size	4,258 square feet
Built	1925 (nearly 100 years old)
Historical Status	California Point of Historic Interest (SDI-014), HABS CA-2323
Architectural Style	Spanish Colonial Revival
Current Condition	Critical deficiencies in structural, electrical, envelope, accessibility
Primary Entrance	Has steps - no secondary entrances available
ADA Challenge	Must provide accessible ramp at historic front entrance

Renovation Cost: \$1.6M - \$2.5M

Cost per Square Foot: \$376 - \$587/sq.ft.

Renovation Component	Low	High
Complete reroofing	\$150K	\$180K
Electrical system replacement	\$200K	\$280K
Seismic retrofitting	\$180K	\$300K
Interior renovations	\$250K	\$380K
HVAC system upgrades	\$100K	\$150K
Insulation improvements	\$60K	\$100K
Front entrance ADA ramp (Level 3 review)	\$250K	\$450K
Interior accessibility	\$80K	\$110K
Design, permitting, extensive historical review	\$120K	\$180K
Contingency for hidden conditions (10%)	\$120K	\$200K
SUBTOTAL ADMIN RENOVATION	\$1.6M	\$2.5M

Front Entrance ADA Compliance Challenge

The Administration Building primary entrance has steps and no alternative secondary entrances exist. This requires:

- **Accessible Ramp at Primary Facade:** Must integrate ramp with historic Spanish Colonial Revival entrance
- **Level 3 Historical Review:** Substantial review required (6-9 months), CEQA review possible
- **Sensitive Architectural Design:** Low-profile ramp with Spanish Colonial elements (wrought iron, terracotta, decorative masonry)
- **Historical Architect Required:** Specialist in adaptive reuse and Secretary of Interior's Standards
- **Landscape Integration:** Planting, walls, and materials to minimize visual impact
- **Higher Cost:** \$250K-\$450K vs. \$80K-\$110K for secondary entrance approach

Temporary Facilities for Staff Displacement

Depending on project phasing, temporary accommodation for staff during construction may or may not be required. With thoughtful scheduling, displaced staff could relocate to existing buildings not under construction or to an offsite facility during their construction period, potentially eliminating the need for temporary modular offices.

Temporary Facilities Cost: \$400K - \$600K (May Be Eliminated with Phasing)

Temporary Facility Component	Duration	Cost Est.
Modular office trailers (admin staff)	15-20 months	\$200K-\$300K
Modular office trailers (engineering/IT/ops)	8-12 months	\$120K-\$180K
Site preparation, utilities, access	One-time	\$50K-\$70K
Furniture, equipment relocation	Two moves	\$30K-\$50K
TOTAL TEMPORARY FACILITIES	Project duration	\$400K-\$600K

Staff Displacement Requirements

- **Administration Staff:** Customer service and administrative personnel (15-20 months in temporary facilities)
- **Engineering/IT Staff:** Technical personnel (8-12 months temporary, then move to new prefab buildings)
- **Operations Staff:** Field and operations personnel (8-12 months temporary, then move to new prefab buildings)
- **Phased Relocation:** Admin staff remain in temporary facilities longest due to extended renovation timeline
- **Operational Continuity:** Temporary facilities maintain full District operations throughout construction

Note: With strategic project phasing, these displacement requirements could be significantly reduced or eliminated by relocating staff to existing buildings not under construction or to offsite facilities.

Total Project Cost and Schedule Summary

Component	Cost Range	Timeline
5 Prefab Support Buildings	\$6.6M - \$8.6M	8-10 months
Admin Building Renovation	\$1.6M - \$2.5M	14-18 months
TOTAL PROJECT	\$8.2M - \$11.1M	15-20 months

The above cost estimate represents direct construction costs only. The following items are EXCLUDED from this estimate and would be additional costs:

These excluded items typically add 40-60% to direct construction costs for public works projects of this complexity.

Other soft costs as detailed in the Facility Needs Assessment Report dated August 22, 2024
Temporary facilities for staff displacement

Local area cost factor adjustments

General conditions (site supervision, safety, insurance)

Demolition of existing structures

Site remediation and grading beyond basic building site preparation

Underground utility relocation

Soft costs (architecture, engineering, permitting, construction management, District labor)

Project Timeline

Phase	Timeline	Key Activities
Phase 1	Months 1-6	Design, ADA ramp historical review, permits, temp facilities setup
Phase 2	Months 4-10	Prefab factory work + site prep; Begin admin interior renovation
Phase 3	Months 9-11	Prefab installation (4-6 weeks intensive), Staff move to new buildings
Phase 4	Months 10-18	Complete admin renovation + front entrance ADA ramp construction
Phase 5	Months 18-20	Final commissioning, admin staff return, temp facilities removal

Operational Impact and Staff Displacement

Displacement Timeline by Staff Group

Staff Group	Temp Facility Duration	Final Location
Administration Staff	15-20 months	Renovated historic Admin Building
Customer Service	15-20 months	Renovated historic Admin Building
Engineering Staff	8-12 months	New Prefab Engineering/IT Building
IT Staff	8-12 months	New Prefab Engineering/IT Building
Operations Staff	8-12 months	New Prefab Operations Building
Field Support	8-12 months	New Prefab Operations Building

Operational Continuity Measures

- **Temporary Facilities On-Site or Adjacent:** Modular offices located to minimize travel and maintain workflow
- **Full IT and Communications:** Temporary facilities equipped with phones, internet, networks
- **Customer Service Maintained:** Counter service continues from temporary location with signage
- **Phased Staff Moves:** Engineering/IT/Ops move to new buildings first, reducing temporary facility needs
- **Service Continuity Priority:** No interruption to District water services or customer support

Risk Assessment and Mitigation

Risk Category	Level	Mitigation Strategy
Schedule Delays	MODERATE	ADA ramp historical review (6-9 mo) on critical path; Early engagement essential
Cost Overruns - Admin	MODERATE-HIGH	100-year-old building, 12% contingency, pre-construction investigation
Historical Approval	MODERATE	ADA ramp may require revisions; Historical architect from start; Pre-app meetings
Staff Disruption	MODERATE	15-20 month displacement; Quality temp facilities; Clear communication
Temp Facility Adequacy	LOW-MODERATE	Size appropriately, provide amenities, IT support
Prefab Quality	LOW	Factory QC, third-party inspections, experienced contractor

Critical Risk Factors

- **ADA Ramp Historical Review:** Most significant schedule risk - Level 3 review required, 6-9 months, potential design revisions
- **Hidden Conditions in Historic Building:** 100-year-old structure may reveal unforeseen issues during renovation

- **Staff Morale During Extended Displacement:** 15-20 months in temporary facilities requires strong change management
- **Temporary Facility Adequacy:** Must provide professional work environment for extended duration
- **Budget Contingency Adequacy:** 12% contingency included but may be tested by historic building unknowns

Conclusion

Santa Fe Irrigation District's facility modernization strategy delivers 16,408 square feet of modern, accessible facilities through prefabricated construction for five support buildings and comprehensive renovation of the historic Administration Building. The project requires significant investment in staff displacement and temporary facilities, with all personnel requiring relocation during the 15-20 month construction period.

The historic Administration Building presents a unique accessibility challenge: the primary entrance has steps and no secondary entrances exist. This necessitates an accessible ramp at the front facade, requiring extensive historical preservation review (Level 3, 6-9 months) and sensitive architectural design to maintain Spanish Colonial Revival character. This ADA compliance approach adds \$170K-\$340K to costs compared to a secondary entrance strategy, but represents the only viable path given the building configuration.

Project Investment Summary:

- **Total Project Cost:** **\$8.2M - \$11.1M** for 16,408 sq.ft. of modernized facilities
- **Project Duration:** **15-20 months** from start to full completion and occupancy
- **Historic Preservation:** 100-year-old California Point of Historic Interest maintained for community
- **Full ADA Compliance:** All facilities including historic building primary entrance accessible



The mission of Santa Fe Irrigation District is to meet the water supply needs of all its customers — safely, sustainably, reliably, and cost-effectively.

BOARD REPORT

TO: Water Resources Committee

FROM: Albert C. Lau, P. E.

INITIATED BY: Chris Bozir, Director of Distribution Services

DATE: February 5, 2026

SUBJECT: Updates regarding the California Air Resources Control Board (CARB) Advanced Clean Fleet Regulation & Consider Executing Purchase Contract for the Replacement of (1) Light Duty Work Truck

Strategic Focus Area:

GOAL 3. Cost-Effective, Resilient and Reliable Infrastructure and Operations

Recommendation:

1. Provide update on California Air Resources Board Advanced Clean Fleet (ACF) regulations; and
2. Recommend the Board Authorize the General Manager to execute a purchase order for one (1) F150- Lightning Extended Range, ZEV work truck.



Alternatives:

Take other actions as appropriate.

Background:

CARB's Advanced Clean Fleets (ACF) Regulation requires State & Local Government Agencies to purchase zero-emissions medium and heavy-duty vehicles as part of their new vehicle purchases, phasing out traditional combustion vehicles. To prepare the District for compliance with the new ACF Regulation and ensure operational resiliency, the District thoroughly evaluated the District's Fleet and developed a procurement road map to meet the evolving regulations.

Based on the evaluation of the current fleet, ACF regulation requirements and to maintain cost effective resilient operations, the Board of Directors approved the purchase of two additional medium duty emergency response trucks at its October 19, 2023, meeting. This was prior to January 1, 2024, the effective date of the ACF regulation. Replacement of the District's most critical utility crew trucks also occurred prior to the effective regulation. In addition, to these most recent investments, a proactive fleet replacement program has positioned SFID in a resilient and reliable operational posture.

CARB's requirements are being challenged by public utilities across the state citing concerns with operational reliability, emergency response, charging infrastructure and cost implications. Requests for increased flexibility and exemptions for fleets have been heard by CARB.

CARB'S Advanced Clean Fleets Regulation (ACF)

Effective January 1, 2024, public agencies had two implementation options to add ZEVs to their fleets, which applies to Class 2b and above, medium and heavy-duty vehicles having a gross vehicle weight rating (GVWR) greater than 8,500 pounds.

- Compliance Option 1(Default Option): After January 1, 2024, 50% of the total number of medium and heavy-duty vehicle additions or replacements to the fleet in each calendar year must be ZEVs. After January 1, 2027, 100% of all new vehicles purchased must be ZEVs. **UPDATE: CARB recently extended the 100% purchase requirement to 2030, in response to AB 1594.**
- Compliance Option 2: Milestone Option establishes a commitment to convert fleet by target dates specified by the Air Resources Board. Requires early replacement of fleets with ZEV's targeting a specific percentage based on vehicle size and model year.

The District is currently subject to the default compliance option, which requires 50% of new fleet purchases and replacements, specifically medium and heavy-duty vehicles, be ZEV's. Recent amendments by CARB, in response to AB 1594, extended the 50% ZEV purchase requirement by three (3) years, delaying the 100% ZEV purchase requirement to 2030. Complete amendments are expected to be effective before January 2027.

Discussion:

SFID's approach to compliance with CARB'S Advanced Clean Fleets Regulation (ACF)

Staff's goal has been to make the most informed decisions to comply with the regulations while maintaining operational resiliency, flexibility and fiscal responsibility to the rate payers.

To prepare the District for compliance with the new Advanced Clean Fleets (ACF) Regulation and to maintain operational resiliency, the District entered into a consulting services agreement with TerraVerde Energy (TerraVerde) in 2023 to evaluate the District's Fleet and develop a procurement road map to meet the ACF regulation. TerraVerde is Association of California Water Agencies' (ACWA) Preferred Provider for fleet electrification consulting services.

Previous investments in the District's Fleet provide fewer upcoming replacements in the foreseeable future. As the State requires fleets to replace medium and heavy-duty trucks with electric fleets, charging infrastructure would be needed at the District Facilities to support operations and maintenance. The facility needs assessment report will provide several options to implement this infrastructure. Charging infrastructure will be a significant investment for the District, when the time presents itself. When the installation of this equipment is necessary staff should pursue available incentives that may be available at the time of installation.

It is anticipated that charging infrastructure to support operations and ZEV fleet requirements should be implemented no later than 2034. The District has continued to evaluate fleet needs, cost and potential efficiencies of ZEV's when replacing the light duty units. Currently, light duty units are not subject to the Advance Clean Fleet Rule. The implementation of light duty EV's may require charging infrastructure to be installed sooner, this will be evaluated.

As required under the regulation, staff submitted the District's first compliance report in March 2024. The report includes a comprehensive list of the existing medium and heavy-duty fleet owned and operated by the District and Joint Facilities.

SFID Fleet Update

As mentioned, the Board's investments in regular replacement of fleet and equipment support SFID's operational resiliency and efficiencies. The next medium/heavy duty procurement was approved for this fiscal budget year (FY26), an additional Class-5 dump truck for the District Fleet. Following this procurement the next medium/heavy fleet purchase is anticipated to be budgeted in FY29, this may change as needs continue to be evaluated.

The FY26 CAP includes a total of \$90,000 for the purchase of (1) additional 3-yard (Class-5) dump truck. Staff continue to track and monitor changes to the Advanced Clean Fleet regulations as well as the commercial vehicle market conditions. CARB's "Streamlined Purchase Exemption List" which was required to be published by CARB in 2025 did not include a dump bed truck configuration, as originally indicated in the final ACF regulation order.

A ZEV Class-5 dump bed which meets the District's needs is not available for procurement. A purchase exemption for a gas or diesel Class-5 truck was not granted by CARB. CARB commented that Class-6 ZEV's are available through Battle Motors or Lion Electric, however, these trucks exceed the GVWR that SFID operates requiring Class A Commercial Driver's License (CDL), and the manufacturer's reliability is unknown. Currently all SFID fleet are under 26,000 pounds and can be operated with a Class C Drivers License.

As a more cost effective and operationally resilient approach, the District identified a half ton truck requiring replacement in the coming fiscal year. Unit #14 is a 2015 model Chevrolet 1500 pickup truck with over 120k miles that has experienced increased maintenance costs and down time. The procurement of the F150 ZEV Lightning this calendar year, specifically the extended range battery model which qualifies as a ZEV purchase under CARB's rule due to its gross vehicle weight rating, to replace Unit #14 provides the District with the ability to purchase a 3-yard Class -5 dump bed truck in FY27, within the 2026 calendar year for the CARB compliance cycle. Staff recommend rebudgeting the dump truck to FY27, using the FY26 vehicle procurement funds to purchase an F150 Lightning extended range model.

In December, Ford announced the immediate end to the F-150 Lightning production line. This means that the current units available to the district for purchase are from remaining dealer inventories.

Fiscal Impact:

A detail of bids received from local Ford dealers for the replace of Unit#14 is outlined in the table below (quotes were based on the similar vehicle specs). Staff recommends the Board authorize the General Manager to execute purchase order with a Local Ford Dealer not to exceed \$75,000 dollars for the purchase. The selected dealer will be based on availability of a unit following approval of the procurement by the Board. This is due limited inventory of the extended range model; there has been a noticeable increase in demand for this model since Ford ended the production line for the Lightning ZEV.

Summary of Vehicle Quotes		
F-150 Ford Lightning-Extended Range Package #8550 GVWR		
Supplier	Bid Result	Total Cost
National Auto Fleet Group	No Availability	N/A
Kearny Mesa Ford, San Diego Ca- Commercial Fleet	No Availability	N/A
Ken Grody Ford, Carlsbad Ca-Fleet Department	Responsive	\$ 67,591.58
El Cajon Ford, El Cajon Ca- Commercial Fleet	Responsive	\$ 69,294.95
Encinitas Ford, Encinitas Ca- Commercial Fleet	Responsive	\$ 72,539.60

The recommended acquisition for (1) F-150 Ford Lightning Extended Range Work Truck is \$67,951.58 from Ken Grody Ford. This cost includes delivery, dealer and license fees, state and local sales tax. In the event the low bidder, Ken Grody Ford, sells the available unit prior to the District receiving approval from the Board and receiving a purchase order, staff recommend proceeding with a purchase order to next lowest responsive bidder on the table above. The retired truck, Unit#14, will be disposed of via public auction services and sale deposited into the District's general fund. The estimated resale of the existing truck at auction is approximately \$6,000. Upon delivery, minor upfitting will be required for roadside safety lighting and lockable tool compartments.

Cost for the installation of charging infrastructure for future ZEV Fleet, to be determined.

Attachment A: Quote from Ken Grody Ford

ATTACHMENT A

Quote Prepared for Chris @ Santa Fe Irrigation Dist.

Vehicle Description	VIN 1FT6W3LU5SW G29214
2025 F-150 LIGHTNING 4X4 CREWCAB FLASH	Exterior
123KWH EXT BAT-SINGLE CHGR	OXFORD WHITE
SINGLE-SPEED AUTOMATIC TRANSMISSION	Interior SLATE ACTIVE X TRIMMED SEATS

Ken Grody Ford Pricing & Incentives as of 1/21/26

KG Fleet Price:	\$73,620.00
Fleet Discount	-\$11,000.00
Doc Fee:	\$110.00
DMV Fees:	EXEMPT
Sales Tax 7.75%	\$4,861.58

Your Cash Price: \$67,591.58

***Plus tax, license, & document fee **On approved credit. Vehicle availability, price, rates, and rebates subject to change without notice.**

Kyle Kainz 760-827-6176 Direct Line
Fleet Manager 760-438-3261 Fax
kyle.kainz@kengrodyford.com 760-410-6970 Cell

KEN GRODY FORD

FLEET DEPARTMENT



The mission of Santa Fe Irrigation District is to meet the water supply needs of all its customers — safely, sustainably, reliably, and cost-effectively.

BOARD REPORT

TO: Water Resources Committee

FROM: Albert C. Lau, P. E.

INITIATED BY: Timothy Bailey, Director of Water Treatment

DATE: February 5, 2026

SUBJECT: Authorize the General Manager to Execute Purchase Order with Xylem for the Purchase of an In-Kind Replacement of Online Total Organic Carbon Analyzer

Strategic Focus Area:

GOAL 3. Cost-Effective, Resilient and Reliable Infrastructure and Operations

Recommendation:

It is the Staff recommendation that the Water Resources Committee recommend that the Board of Directors:

1. Authorize the General Manager to Execute a Purchase Order with Xylem/ YSI for the purchase of a replacement on-line TOC analyzer for \$43,562.00.

Alternatives:

Continue to monitor TOC removal efficiencies via benchtop laboratory analyzer.

Background:

In 2006, the State of California began requiring water systems to use the Enhanced Coagulation performance standards to remove disinfection byproduct precursors in order to comply with the first iteration of the Disinfection Byproduct Rule. This requirement prescribes the minimum amount of Total Organic Carbon (TOC) that must be removed from the process before disinfection can occur. The required removal varies based upon the raw water alkalinity and raw water TOC. Maximizing the removal of organic carbon prior to disinfection effectively lowers the formation potential of disinfection byproducts, thereby limiting public exposure to these regulated contaminants.

Shortly after this regulation came into existence, the Joint Facilities staff purchased a benchtop TOC analyzer which, among other tasks, is used to monitor compliance with the Enhanced Coagulation standard. This analyzer cut response time to process changes, as they relate to TOC removal, from 1 week to 1 day, keeping the Joint Facilities process consistently in line with these new requirements. In 2015, the Joint Facilities further refined the TOC monitoring program by purchasing an on-line TOC analyzer that would give near real-time data.

In the 10 years of operation, this on-line analyzer has provided valuable data that helps to streamline the monitoring of TOC removal, assisted in maintaining compliance with disinfection byproduct regulations, and has saved significant staff time over the benchtop laboratory option. Since 2023, the online analyzer has required additional maintenance and repair leading to significant down time, and in early 2025 after learning that it would no longer be supported, this analyzer was permanently taken off-line. Since this time, compliance with the Enhanced Coagulation rule has been maintained using the benchtop laboratory unit.

Discussion:

The on-line TOC analyzer at the Joint Facilities utilized a specific configuration that matched the analytical method of the benchtop laboratory unit and allows for multiple streams to be analyzed sequentially. This ability to switch streams on a rotating basis enables data from the influent stream to be compared to data from the effluent stream, which is then used to calculate the percent removal, and therefore compliance, in SCADA. Staff has spent considerable time searching for online TOC units that meet the specific requirements of application at the Joint facilities. Specifically, coupling the concentration range of our source water blends with the ability to switch streams for analysis, while also matching the analytical methodology of our benchtop laboratory unit is a priority. Staff requested quotes from three manufacturers of online TOC analyzers which are summarized below.

Company	Price
Xylem/ YSI	\$43,562.00
Shimadzu	\$73,570.85
HACH	-

The old unit that was taken offline in 2025 was made by OI Analytical, which has since merged with YSI Inc. and Xylem Utility Solutions. A similar unit that meets the needs of the Joint Facilities is now produced by YSI under the Xylem brand. Staff is recommending the Board approve the purchase of this Xylem/ YSI online TOC analyzer for the Joint Facilities.

Fiscal Impact:

The FY26 Capital Acquisition Budget (CAB) includes \$50,000.00 for the purchase of a replacement online TOC analyzer. The quote from Xylem/ YSI came in under the CAB budgeted amount at \$43,562.00. Staff is requesting that the General Manager be authorized to execute a sole source Purchase Order with Xylem/ YSI, for the purchase of a replacement online TOC analyzer.

Supplier	FY26 CAB	Quote Price
Xylem/ YSI	\$50,000.00	\$43,562.00

The cost of this project will be shared between Santa Fe Irrigation District and the San Dieguito Water District at a rate of 55% and 45% respectively as illustrated below.

Agency	Percent Share	Cost
SFID	55%	\$23,959.10
SDWD	45%	\$19,602.90
	Total	\$43,562.00



The mission of Santa Fe Irrigation District is to meet the water supply needs of all its customers — safely, sustainably, reliably, and cost-effectively.

BOARD REPORT

TO: Water Resources Committee

FROM: Albert C. Lau, P. E.

INITIATED BY: Mackenzie Christie, Management Analyst

DATE: February 5, 2026

SUBJECT: Water Supply Update

Strategic Focus Area:

GOAL 1. Sustainable, Cost-Effective Resources

Water Supply Update:

The new water year began on October 1, 2025, San Diego International Airport (Lindbergh Field) reported significant rainfall for the month at 2.2 inches as of January 21, 2026. As of the same date, Lake Hodges' water level was at 277.05 feet, under the state-mandated elevation restriction of 280 feet due to dam safety requirements. The lake level increased by approximately one foot during recent storms. Santa Fe Irrigation District staff continue to coordinate with the City of San Diego in preparation for any rain events. Regional water supply reliability remains stable, supported by imported supplies from the Colorado River and the State Water project, desalination production, and local storage.

California's major reservoirs are at or above 100% of their historical average capacity for this time of year. Colorado River snowpack is at 55% of normal. Lake Mead is at 37% capacity, and Lake Powell, at 27%, remains low with federal agencies closely monitoring elevations near hydropower thresholds.

Staff will provide a presentation with updated information on water supply.

Preliminary 2026 WRC Meeting Agenda Items List	
March	CIP Update (Monthly)
	Director of Engineering Services Report (Monthly)
	Director of Distribution Systems Report (Monthly)
	Director of Water Treatment Plant Report (Monthly)
April	CIP Update (Monthly)
	Director of Engineering Services Report (Monthly)
	Director of Engineering Services Report (Monthly)
	Director of Distribution Systems Report (Monthly)
	Director of Water Treatment Plant Report (Monthly)
	General Manager Report (Monthly)
May	CIP Update (Monthly)
	Director of Engineering Services Report (Monthly)
	Director of Distribution Systems Report (Monthly)
	Director of Water Treatment Plant Report (Monthly)
	General Manager Report (Monthly)
	NOC for R.E. Badger Filter Washwater Header and Associated Piping Project
June	Review of Urban Water Management Plan (every 5 years)
	CIP Update (Monthly)
	Director of Engineering Services Report (Monthly)
	Director of Distribution Systems Report (Monthly)
	Director of Water Treatment Plant Report (Monthly)
	General Manager Report (Monthly)
	Review and File Annual Water Supply and Demand Assessment Report for FY __
	Authorize the General Manager to Executive Professional Services Agreement for Traffic Control Service
Out of Service Area Agreements Update (<i>Open and Closed Session</i>)	

Preliminary 2026 WRC Meeting Agenda Items List	
July	CIP Update (Monthly)
	Director of Engineering Services Report (Monthly)
	Director of Distribution Systems Report (Monthly)
	Director of Water Treatment Plant Report (Monthly)
	General Manager Report (Monthly)
August	CIP Update (Monthly)
	Director of Engineering Services Report (Monthly)
	Director of Distribution Systems Report (Monthly)
	Director of Water Treatment Plant Report (Monthly)
	General Manager Report (Monthly)
BULLPEN	Lerrick Reservoir Pocket Park Update
	LAFCO Municipal Service Review FY__
	Programmatic CEQA Adoption for Master Plan
	Status of Regional Potable Reuse Projects - East County, City of San Diego, North County One Water
	Replacement of Vehicles
	GIS System Overview (as relates to WUE standards)
	Update on Energy Reliability/Costs and Challenges
	Update on SANDAG LOSSAN Rail Realignment Project
	Review of Five-Year Master Plan Update (for FY__) (every 5 years)
	Review of Urban Water Management Plan (every 5 years)