AGENDA

WATER RESOURCES COMMITTEE
Santa Fe Irrigation District

Thursday, September 3, 2020
9:00 a.m.

Held at the Santa Fe Irrigation District
5920 Linea de Cielo, Rancho Santa Fe, CA 92067

Due to the COVID-19 State of Emergency and pursuant waivers to certain Brown Act provisions under the Governor’s Executive Orders, meetings of the Board and Board Committees will be conducted via Zoom Meeting (webinar/teleconference) and there will be no physical location from which members of the public may participate. Instead, the public may listen to the meeting proceedings and provide public comment and comments on specific agenda items by following these instructions:

Please click the link below to join the webinar:

https://us02web.zoom.us/j/88403950404?pwd=SnFPQmhmbFhKN0VPcStQUG84VGJXdz09

Passcode: 369121

Or iPhone one-tap:

US: +16699009128,,88403950404#,,,,0#,,369121# or
+12532158782,,88403950404#,,,,0#,,369121#

Or Telephone:

Dial (for higher quality, dial a number based on your current location):

US: +1 669 900 9128 or +1 253 215 8782 or +1 346 248 7799 or +1 301 715 8592 or +1 312 626 6799
or +1 646 558 8656 or 877 853 5257 (Toll Free) or 888 475 4499 (Toll Free)

Webinar ID: 884 0395 0404

Passcode: 369121

International numbers available: https://us02web.zoom.us/u/kelbHVpuo0
Instructions for Making Public Comment: Members of the public who wish to address the Board of Directors under public comment or on specific agenda items may do so in one of the following ways:

- You can send written comments to the Board Secretary for receipt no later than 7:30 am on September 3, 2020 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 kjohnson@sfidwater.org, mailed to the attention of Kim Johnson, 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 or mail to 5920 Linea del Cielo, Rancho Santa Fe, California 92067.

- On Zoom via phone, you can also raise your hand by pressing *9 when to notify the moderator that you wish to speak during the current item.

These public comment procedures supersede the District’s standard public comment policies and procedures to the contrary.

CALL MEETING TO ORDER

ORAL COMMUNICATIONS
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 Board, 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. Approval of August 6, 2020 Meeting Minutes (pages 4-7)

2. Consider Executing Purchase Contract for Installation of Filter Influent Valves and Actuators (pages 8-9)

3. Consider Executing a Sole Source Purchase Contract to R+B Automation for the Purchase and Installation of Backwash Valves and Actuators, and Effluent Valves (pages 10-14)

4. Consider FY21 Joint Facilities Budget Amendment and Executing Purchase Contract for Plant Maintenance Vehicle (pages 15-17)

5. Consider Actions Related to and for the R.E. Badger Operations Roof Replacement Project (Projects J-2050) (pages 18-32)

6. Consider an Agreement for the Storage or Sale of Local Water to the San Diego County Water Authority by the Santa Fe Irrigation District and San Dieguito Water District (pages 33-43)
REPORTS

7. FY21 Capital Improvement Projects Status Report (verbal)
8. Engineering Services Manager’s Report (verbal)
9. Distribution System Manager’s Report (verbal)
10. Water Treatment Plant Manager’s Report (verbal)
11. General Manager’s Report (verbal)
12. Committee Members’ Comments (verbal)

INFORMATION ITEMS - None

ADJOURN

Next Scheduled Water Resources Committee meeting: Thursday, October 1, 2020 at 9:00 a.m.
Due to the COVID-19 State of Emergency and pursuant waivers to certain Brown Act provisions under the Governor’s Executive Orders, meetings of the Board and Board Committees will be conducted via Zoom Meeting (webinar/teleconference) and there will be no physical location from which members of the public may participate. Instead, the public may listen and/or view the meeting proceedings and provide public comment and comments on specific agenda items by following the posted instructions, including how to submit written comments for inclusion, instructions for viewing or listening to the meeting, and how to participate via Zoom. Additionally, these public comment procedures supersede the District’s standard public comment policies and procedures to the contrary.

PRESENT: Chairman Andy Menshek, Director Marlene King, General Manager Albert Lau, Executive Assistant Kim Johnson, Engineering Services Manager Rania Amen, Water Treatment Plant Manager Tim Bailey, Distribution System Manager Chris Bozir, and Public Communications Officer Teresa Penunuri were present.

Chairman Menshek called the meeting to order at 9:00 a.m.

ORAL COMMUNICATIONS - None

ACTION AND DISCUSSION ITEMS:

1. APPROVAL OF JUNE 4, MEETING MINUTES

The Committee approved the minutes as presented.

2. MONTHLY BOARD REPORTS RELATED TO WATER DISTRIBUTION AND PRODUCTION

PCO Penunuri presented the item and she and GM Lau responded to questions from the Committee.

Director King expressed concern with staff’s recommendation to provide this information quarterly, noting these reports are in the top three items she reviews in the monthly Board agenda materials and that she reviewed the past three years of these charts during the recent budget approval process.
Chairman Menshek asked the rationale for Staff’s recommendation to report quarterly. PCO Penunuri responded that staff is working to determine how best to include data generated from the water use efficiency standards once required by the State. Chairman Menshek agreed that information will be useful, but agreed with Director King that monthly reporting is desired. He added that he would prefer the data be focused on each Division; however, reiterated the Committee’s desire to continue the monthly report to the Board. PCO Penunuri offered to develop a “dashboard” on the District’s webpage that could be accessed by Directors to obtain this type of information; Chairman Menshek stated he supported that idea.

GM Lau suggested the two monthly reports could be consolidated into a single report in the near future, reducing the duplicative data reported.

3. CONSIDER EXECUTING A PURCHASE CONTRACT FOR CASE 590SN BACKHOE LOADER

DSM Bozir presented the item and responded to questions from the Committee. After discussion, the Committee agreed with staff’s recommendation for approval and directed staff to move the item forward for full Board consideration at their regular August meeting as a Consent item.

4. CONSIDER A RESOLUTION ADOPTING AMENDMENTS TO DISTRICT ADMINISTRATIVE CODE ARTICLE 18, ANNEXATIONS AND DETACHMENTS, WATER SERVICE OUTSIDE DISTRICT, AND ARTICLE 24, EASEMENTS, ENCROACHMENTS, AND OTHER PERMITS

ESM Amen presented the item and responded to questions from the Committee. She reported Article 24 was returned to the Committee after their comments were received and incorporated into the directive. She added that Article 18 had been reviewed by LAFCO and their comments were also provided in the draft before the Committee.

The Committee expressed concern with the criteria as stated related to annexations and out of service agreements and requested clarification prior to Board consideration. Staff will consult with General Counsel and move the item forward to the Board after additional clarification of terms.

After discussion, the Committee agreed with staff’s recommendation for approval and directed staff to move the item forward for full Board consideration at their regular August meeting as a Consent item.

5. LAKE HODGES STATUS UPDATE

ESM Amen provided an update on the water storage and sales agreement being developed with the San Dieguito Water District, City of San Diego, and the San Diego County Water Authority and reported that the agreement should come before the respective Boards for
consideration at their regular September meetings. GM Lau added that there has been a good collaborative effort with San Dieguito Water District.

REPORTS

6. FY21 CAPITAL IMPROVEMENT PROJECTS STATUS REPORT

ESM Amen provided a status report on the capital projects and utilized a PowerPoint presentation for updates on the Mechanical Dewatering project. She added that negotiations continue with the City of Solana Beach regarding siting an antenna for the automated metering infrastructure project.

7. ENGINEERING SERVICES MANAGER’S REPORT

ESM Amen reported that the District’s GIS system will have a platform expansion improving utility isolation grids used for Dig Alerts, which can be managed via iPads by field personnel. Staff will prepare a demonstration for the Committee at a future meeting.

8. DISTRIBUTION SYSTEM MANAGER’S REPORT

DSM Bozir reported that the Phase 5 of the Automated Metering Infrastructure program has been completed, and added that he is personally proud to work with Engineering and Operations because of the excellent coordination and outstanding job done in light of challenges presented by the COVID-19 pandemic. He continued that the distribution system is performing well and they are managing seasonal increased demands.

9. WATER TREATMENT PLANT MANAGER’S REPORT

WTPM Bailey reported the plant is running smoothly and demand has increased substantially with warmer weather, up to 36 mgd several times over the past two months. He added that the plant is treating 30% local water which is about the maximum they can use due to water quality and chemicals required for treatment.

10. GENERAL MANAGER’S REPORT

GM Lau offered kudos to the management team for their collaborative spirit in working together and with San Dieguito Water District staff on recent projects.

11. COMMITTEE MEMBERS’ COMMENTS  - None

Chairman Menshek thanked GM Lau for offering his praise and noted the Board notices it too. He commented on the City and County of Los Angeles and their shut-offs with COVID-19 violations and asked staff to research the legality of this if implemented in San Diego County. He also commented on the proposal considered by the City of Del Mar for up to 1500 homeless veterans to shelter at the Del Mar Fairgrounds and asked staff to
confirm with General Counsel that there is no District liability by permitting people to “live” within the Lake Hodges flood plain.

Director King stated she enjoyed the meeting and listening to the Managers’ reports. She mentioned her comments during the January Board meeting on the lessons learned during the Sonoma County fires last fall, referencing WTPM Bailey’s “Lessons Learned” during the SDGE shut offs and asked the managers to please keep note on how well they are doing during this pandemic crisis.

INFORMATION ITEMS – None

ADJOURN

Chairman Menshek adjourned the meeting at 10:50 a.m.

___________________________
Andy Menshek, Chairman
DATE: September 3, 2020

TO: Water Resources Committee

FROM: General Manager

SUBJECT: Consider Executing Purchase Contract for Installation of Filter Influent Valves and Actuators

RECOMMENDATION:

It is the Staff recommendation that the Water Resources Committee:

1. Recommend the Board of Directors authorize the General Manager to execute a Purchase Contract in the Amount of $52,740.00 ($29,007 SFID / $23,733 SDWD) for the installation of six (6) 30” Filter Influent Valves and actuators with R+B Automation for the R.E. Badger Filtration Plant; and

2. Discuss and take other action as appropriate.

BACKGROUND:

The FY21 capital acquisition program budget (CAP) includes $56,000 for the installation of six Filter Influent Valves. The filters at the R.E. Badger Filtration Plant (Plant) are the last physical barrier in the water treatment process and operate to ensure that carryover particulate from the sedimentation process is effectively removed prior to the water entering the finished water clearwell and distribution system. The influent valves currently on the filters are the original 25lb class Pratt Butterfly valves installed during the 1996 plant upgrade. Chlorine in the water passing through these valves erode the valve seats and hardens the seals, which require periodic repair and maintenance. Several existing valves are leaking, wasting water and reducing the efficiency of the treatment process. The valves proposed for this purchase will reduce cost associated with maintenance of the valve seal and ensure a longer service life. Furthermore, the new electric actuators will be standardized with the existing actuators located on the effluent valves, increasing the consistency and flexibility through critical equipment standardization. Staff recommends replacement of these valves to ensure efficiency of the filters.

In FY20, staff purchased the valves from R+B Automation, but due to shutdown constraints were unable to schedule the installation until FY21. To maintain the warranty of the equipment, installation of these valves and actuators must be performed by an authorized dealer. R+B Automation is the only authorized provider in Southern California to perform this installation, at a cost of $52,740 (prevailing wages required).
FISCAL IMPACT:

Installation of six Filter Influent Valves and Actuators for $52,740 is a savings of $3,260 from the FY21 CAP budget of $56,000. This installation cost is shared between SFID (55%, $29,007) and San Dieguito Water District (45%, $23,733).

Prepared by: Timothy Bailey, Water Treatment Plant Manager
Reviewed by: Seth M. Gates, Administrative Services Manager
Approved by: Albert C. Lau, P.E., General Manager
DATE: September 3, 2020

TO: Water Resources Committee

FROM: General Manager

SUBJECT: Consider Executing a Sole Source Purchase Contract to R+B Automation for the Purchase and Installation of Backwash Valves and actuators, and Effluent Valves

RECOMMENDATION:

It is the Staff recommendation that the Water Resources Committee:

1. Recommend the Board of Directors authorize the General Manager to execute a not-to-exceed $230,977.90 purchase order to R+B Automation for the purchase and installation of:
   - (6) 30” Backwash Valves
   - (4) 24” Filter Effluent Valves
   - (6) Actuators

2. Discuss and take other actions as appropriate

BACKGROUND:

The FY21 Capital Acquisition Program budget (CAP) includes $260,000 for the purchase and installation of six Filter Influent Valves and Actuators, and four Filter Effluent Valves. In FY20, staff began replacing critical components of the filter system, upgrading original valves and actuators that had become operationally inefficient and had reached the end of their reliable service life. At this time, staff also identified the opportunity to standardize these critical components with new industry standard equipment which provides for more reliable service and ease of maintenance. The operation of the filters is one of the most critical processes within the treatment train, and reliable equipment is critical. Currently, several existing backwash valves and remaining effluent valves leak by and require more frequent maintenance affecting the efficiency of the associated filters.

Staff is proposing a sole source purchase of six (6) 30” Filter Backwash AV-Tek Valves, six (6) Backwash valve Auma actuators, and four (4) 24” Filter Effluent AV-Tek Valves through R+B automation for the cost of $230,977.00 (SFID portion $127,037.85). Standardization of AV-Tek valves and Auma actuators requires a sole source purchase with R+B Automation because they are the only authorized provider of this equipment from the manufacturer. The purchase of the AV-Tek Valves and Auma Actuators will continue the standardization of the mechanical workings of the filters and provide for consistency in equipment and efficiency of operation.

Table 1 Summarizes Staff’s Recommendation:
Table 1

<table>
<thead>
<tr>
<th>Description</th>
<th>FY21 Budget</th>
<th>Cost/ Authorization</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 Filter BW Valves and Actuators</td>
<td>$225,000.00</td>
<td>$135,510.00</td>
</tr>
<tr>
<td>4 Filter Effluent Valves</td>
<td>$35,000.00</td>
<td>$29,908.00</td>
</tr>
<tr>
<td>Installation/ Tax</td>
<td></td>
<td>$65,559.90</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$260,000</strong></td>
<td><strong>$230,977.90</strong></td>
</tr>
</tbody>
</table>

**FISCAL IMPACT:**

The FY21 CAP included $260,000 for the purchase of the six (6) Filter Backwash Valves and Actuators and four (4) Filter Effluent Valves to replace existing filter infrastructure that has reached the end of its reliable service life. Staff is requesting to execute a purchase order with R+B Automation for the purchase of the aforementioned valves and actuators totaling $230,977.90. The cost of this acquisition will be split between Santa Fe Irrigation District (55% or $127,037.85) and the San Dieguito Water District (45% or $103,940.05), and result in a budgetary savings of $29,002.10.

Attachment A: R+B Automation Quote
Attachment B: Av-Tek Sole Source Authorization Letter
Attachment C: Auma Sole Source Authorization Letter

Prepared by: Timothy Bailey, Water Treatment Plant Manager
Reviewed by: Seth M. Gates, Administrative Services Manager
Approved by: Albert C. Lau, P.E., General Manager
**Quote**

<table>
<thead>
<tr>
<th>Description</th>
<th>Qty</th>
<th>Cost</th>
<th>Total</th>
</tr>
</thead>
</table>
| Attention: David Harris  
*Backwash Valves/ Influent Valves/ Filter Effluent Valves  
30" AV TEK BFV / SIPOS                                                      |     |       |           |
| Auma SA07 / GS160.3/AC01.2, 480/3/60VAC, on/off actuator with a GS160 Gearbox, fabricated 30" BFV adaption and mounting hardware.  
Location: Backwash Valves                                                  | 6   | 9,105.00 | 54,630.00T|
| 30" 150# AWWA AV-TEK Double Eccentric Butterfly Valve  
Location: Backwash Valves                                                  | 6   | 13,480.00 | 80,880.00T|
| Prevailing Wage Field Service calls for installation of Auma SA07 / GS160.3/AC01.2, 480/3/60VAC, and a 30" AV-TEK valve  
Location: Backwash Valves                                                  | 6   | 8,790.00  | 52,740.00  |
| Prevailing Wage Field Service calls for installation of Auma SA07 / GS160.3/AC01.2, 480/3/60VAC, and a 30" AV-TEK valve  
Location: Influent Valves                                                  | 6   | 8,790.00  | 52,740.00  |
| 24" 150# AWWA AV-TEK Double Eccentric Butterfly Bare Stem Valve.  
Location: Filter Effluent Valves                                            | 4   | 6,777.00  | 27,108.00T |
| Machined coupler for an Auma GS125/24" 150# AWWA AV-TEK Double Eccentric BFV.  
Location: Filter Effluent Valves                                            | 4   | 700.00    | 2,800.00T  |
| Please Note: Any additional Visits / Time / Parts / Material will be billed additionally. |     |       |           |

**Subtotal**  $270,898.00

**Sales Tax (7.75%)**  $12,819.90

**Total**  $283,717.90

We are pleased to submit our quotation covering the items above. If we can be of further assistance, please do not hesitate to call upon us.

***This quote is valid for 30 days***
August 3, 2020

To Whom it may concern:

The Av-Tek line is represented exclusively in the state of California by R&B Automation. This includes all of the Av-Tek products. No other company has authorization to sell the Av-Tek product in California without purchasing through R&B Automation. Av-Tek does not sell direct to the end user in any case.

If you have any questions feel free to contact me directly.

Greg Bilbao
Av-Tek National Sales Manager
To: David Harris  
Santa Fe Irrigation District

This is to confirm that R&B Automation, located in Temecula CA is the exclusive representative of the SIPOS product lines in Southern CA. R&B Automation is authorized to perform field automation, all retrofit, service, repairs and training within their territory. There are no other distributors authorized by AUMA to sell SIPOS products directly into Southern CA. All correspondence, including purchase orders should be sent to:

R&B Automation  
42180 Zevo Dr.  
Temecula, CA 92589  
951-693-0170

Please do not hesitate to contact the undersigned should additional information be required.

Best Regards,

Lido Flores

AUMA Southwest Regional Manager
DATE: September 3, 2020

TO: Water Resources Committee

FROM: General Manager

SUBJECT: Consider FY21 Joint Facilities Budget Amendment and Executing Purchase Contract for Plant Maintenance Vehicle

RECOMMENDATION:

It is the Staff recommendation that the Water Resources Committee:

1. Recommend the Board of Directors authorize a FY21 Joint Facilities Capital Acquisition Program Budget amendment in the amount of $2,360.00; and

2. Recommend the Board of Directors authorize the General Manager to execute a not-to-exceed $39,360.00 purchase order with Courtesy Chevrolet for one (1) Chevrolet Silverado 2500 HD; and

2. Discuss and take other action as appropriate.

BACKGROUND:

The District is proposing to purchase a Chevrolet Silverado 2500HD to replace unit 34, from Courtesy Chevrolet for the price of $39,360.00 (Santa Fe Irrigation District - 55% or $21,648.00, San Dieguito Water District – 45% or $17,712), through their commercial and fleet sales program. Each fiscal year, the Capital Acquisition Program (CAP) budget includes funding for the ongoing, regular replacement of older rolling stock in the District’s fleet of vehicles. Unit 34 is 16 years old with 82,000 miles, has reached the end of its useful life, and has become operationally inefficient due to vehicle down time for repairs and maintenance.

The FY21 Joint Facilities CAP included $37,000 for the replacement of unit 34 based upon a quote received in March, 2020. The District then obtained three quotes in August, all of which are above the original quote and FY21 CAP. These included quotes from Sourcewell (the National Joint Powers Alliance) at $41,726.14, $40,710.07 for Quality Chevrolet, and Courtesy Chevrolet at $39,360.00 – as summarized below. All three quotes are based upon same specifications.

<table>
<thead>
<tr>
<th>Supplier</th>
<th>Quote</th>
<th>FY 21 Required Budget Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Auto Fleet Group (Sourcewell)</td>
<td>$41,726.14</td>
<td>$4,726.14</td>
</tr>
<tr>
<td>Quality Chevrolet</td>
<td>$40,710.07</td>
<td>$3,710.07</td>
</tr>
<tr>
<td>Courtesy Chevrolet</td>
<td>$39,360.00</td>
<td>$2,360.00</td>
</tr>
</tbody>
</table>
Staff time spent researching additional purchase options, including modifying the purchase for a smaller size pickup. However, these alternatives do not fit the requirements for the purposes for which the vehicle will be used (i.e., a smaller pickup will not have the necessary size bed to accommodate maintenance staff equipment). Additionally, prices increases in vehicles have been seen due to a lower supply of trucks on hand at dealerships as a result of factory shut-downs from the pandemic, while demand has remained relatively steady for these vehicles. Based on these circumstances, Staff is requesting the Committee recommend the Board of Directors approve a budget amendment to the FY21 Joint Facilities CAP in the amount of $2,360 for the General Manager to be authorized to procure a Chevrolet 2500HD from the lowest responsive bidder, Courtesy Chevrolet in the amount of $39,360.00.

**FISCAL IMPACT:**

The FY21 CAP included $37,000 for the purchase Maintenance Vehicle unit 34 which has reached the end of its service life. Staff is requesting authorization for a FY21 Joint Facilities CAP budget amendment of $2,360.00 to execute a purchase order with Courtesy Chevrolet totaling $39,360.00. The cost of this acquisition will be split between Santa Fe Irrigation District (55% or $21,648.00) and San Dieguito Water District (45% or $17,712.00). The replaced vehicle will be disposed of via auction with TNT Auction Inc. located in Ramona, CA and proceeds will be deposited with the District.

Attachment A: Courtesy Chevrolet Quote

Prepared by:  Timothy Bailey, Water Treatment Plant Manager  
Reviewed by: Seth M. Gates, Administrative Services Manager  
Approved by: Albert C. Lau, P.E., General Manager
QUOTE

<table>
<thead>
<tr>
<th>DESCRIPTION OF ITEMS</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. (1) 2021 Chevrolet Silverado 2500HD Reg Cab + Harbor Service Body per requested Specs</td>
<td>$36,493.04</td>
</tr>
<tr>
<td>2. Sales Tax (7.75%)</td>
<td>$2,828.21</td>
</tr>
<tr>
<td>3. Ca Tire Fee (Non-Taxable)</td>
<td>$8.75</td>
</tr>
<tr>
<td>4. DMV Electronic Filing Fee (Non-Taxable)</td>
<td>$30.00</td>
</tr>
<tr>
<td>5. Sub-Total</td>
<td>$39,360.00</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$39,360.00</strong></td>
</tr>
</tbody>
</table>

Thank you for your business!!
DATE: September 3, 2020

TO: Water Resources Committee

FROM: General Manager

SUBJECT: Consider Actions Related to and for the R.E. Badger Operations Roof Replacement Project (Projects J-2050)

RECOMMENDATION:

It is the Staff recommendation that Water Resources Committee:

a) Review the bid results for the construction of the R.E. Badger Operations Roof Replacement Project (Project J-2050); and

b) Recommend the Board of Directors award a Construction Contract for Projects J-2050 to the lowest responsive bidder TL Veterans Construction, Inc., in the amount of $472,000 (SFID $259,600 and SDWD $212,400); and

c) Recommend the Board of Directors authorize the General Manager to Amend the Professional Services Agreement with MBN Group, Inc., for Support Services During Construction including Inspection Services for Project J-2050 in the amount of $29,782 (SFID $16,380 and SDWD $13,402); and

d) Recommend the Board of Directors adopt Resolution finding the R.E. Badger Roof Replacement Project (Project J-2050), Categorically Exempt under the California Environmental Quality Act and Approving the Projects; and

e) Discuss and take other action as appropriate.

SUMMARY:

This agenda item presents multiple recommendations related to the R.E. Badger Roof Replacement Project (Project J-2050).

The recommended actions are discussed in greater detail in following sections of this memorandum and are necessary to implement the Project. In summary, this agenda item addresses: 1) award of a construction contract; 2) approval of an amendment to the design architect’s professional services agreement for Services during construction; and 3) the CEQA findings and approval of the Project.

BACKGROUND:

The Joint Facilities Project is located at the R.E. Badger Filtration Plant and is included in the FY21 Santa Fe Irrigation District’s (SFID) Joint Facilities Capital Improvement Program (CIP).
The Operations building was constructed in the late 1960’s with expansion and minor modifications completed in the 1990’s. The major components of the Project include:

- Demolition and Disposal of the existing roof;
- Roof replacements and modification to roof sloping;
- Limited repair of the parapet with full tile removal with tile panel replacement;
- HVAC ductwork removal and replacement; and,
- Repainting and testing for acceptance.

In June 2020, a comprehensive design was completed and construction bidding documents were prepared for the Project. As part of the design effort, the Architect of Record also prepared a detailed construction cost estimate. The Engineer’s construction estimate for the Project is $690,000.

**DISCUSSION:**

*First Recommendation - Review of Bids and Recommended Construction Contract Award*

In accordance with the District’s Administrative Code, a notice of inviting bids was advertised for the Projects. In order to comply with the COVID-19 social distancing requirements, the District conducted a virtual pre-bid meeting and bid opening, and conducted 6 individual field site visits with prospective bidders. Seven bids were received and opened on August 19, 2020. Bids ranged from a low of $472,000 to a high of $699,910 and are summarized in Table 1 below.

<table>
<thead>
<tr>
<th>Position</th>
<th>Contractor</th>
<th>Bid</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>TL Veterans Construction, Inc.</td>
<td>$472,000</td>
</tr>
<tr>
<td>2</td>
<td>SD Remodeling, Inc.</td>
<td>$512,000</td>
</tr>
<tr>
<td>3</td>
<td>SWCS, Inc.</td>
<td>$521,448</td>
</tr>
<tr>
<td>4</td>
<td>Spectrum Services Group, Inc.</td>
<td>$549,584</td>
</tr>
<tr>
<td>5</td>
<td>Chambers, Inc. dba Roof Construction</td>
<td>$560,550</td>
</tr>
<tr>
<td>6</td>
<td>Commercial Waterproofing Systems, Inc.</td>
<td>$622,983</td>
</tr>
<tr>
<td>7</td>
<td>Best Contracting Services, Inc.</td>
<td>$699,910</td>
</tr>
<tr>
<td>Comparison</td>
<td>Engineer’s Estimate</td>
<td>$690,000</td>
</tr>
</tbody>
</table>

The Project design consultant (MBN Group, Inc.) and District staff conducted an evaluation of the bid documents and have confirmed that TL Veterans Construction, Inc. is the lowest responsive bidder.

A copy of the bid evaluation summary is included as Attachment A. TL Veterans Construction, Inc.’s bond surety company, Old Republic Surety Company, is licensed to transact business in California. The contract duration of the Project is 84 calendar days. Prior to execution of the contract, TL Veterans Construction, Inc. is required to submit proof of insurance as well as
performance and payment bonds. It is anticipated that this process will take approximately 10 working days following Notice of Award.

Change orders occur if there are unforeseen change in conditions during construction. Typically, changes require immediate action to avoid additional construction delay costs that could include, but not limited to, equipment stand-by, loss of wages, delay of schedule, and other associated costs depending on the current construction activity. In accordance with the District’s Administrative Code, Section 20.2.5.2, the General Manager is authorized to approve change orders to a maximum cumulative total value of 15% of the contract for contracts under $1 million. Construction contingency of 15% is $70,800 (SFID $38,940 and SDWD $31,860).

Staff recommends that the Water Resources Committee recommend that the Board of Directors award a construction contract to TL Veterans Construction, Inc. in the amount of $472,000 (SFID $259,600 and SDWD $212,400).

Second Recommendation – Amend the Professional Services Agreement with MBN Group, Inc. for Architectural Services during Construction in the amount of $29,782

On July 8, 2019, the District executed an agreement with MBN Group, Inc. (MBN) in the amount of $14,225 for the Conceptual Design of the R.E. Badger Operations Roof Replacement Project (J-2050). To date, one (1) amendment, in the amount of $18,840, was executed to provide construction plans and specifications and supplemental bid support services.

Support services during construction for the R.E. Badger Operations Roof Replacement Project were not included in the design services agreement. Additionally, due to specialized work of the project, District staff requested that MBN provide construction management and inspection services during 84-calendar days (12-weeks) in addition to the review of submittal information. MBN services during construction will include submittal reviews, responses to requests for information, review of change order requests, and preparation of as-built drawings, construction inspection meetings, and other support services. Following negotiations and associated adjustment of scope and fee, the total cost for the additional services is $29,782. The recommended amendment for the required support services during construction for the subject project is provided in Attachment B.

Staff recommends the Water Resources Committee recommend that the Board of Directors authorize the General Manager to execute Amendment No. 2 to the professional services agreement with MBN Group, Inc. in the amount of $29,782 (SFID $16,380 and SDWD $13,402); support services during construction, increasing the total contract amount from $33,065 to $62,847 (SFID $34,566 and SDWD $28,281).

Third Recommendation - Finding the R.E. Badger Operations Roof Replacement Project Categorically Exempt under the California Environmental Quality Act and Approving the Project

The Project is currently under review by legal counsel to confirm that the Project is categorically exempt from environmental review; therefore, a (Draft) Notice of Exemption for the project, is the appropriate environmental documentation in compliance with the California Environmental
Quality Act (“CEQA”), Public Resources Code section 21000, et seq. The Draft Notice of Exemption has been prepared and is included as Attachment C. In accordance with the draft findings set forth in the Draft Resolution, included as Attachment D, staff has determined that all components of the Project are exempt under CEQA and satisfy the criteria for one or more categorical exemption contingent upon legal counsel confirmation.

In accordance with CEQA, the State CEQA Guidelines, and the District’s Local CEQA Guidelines, the District is responsible for authorizing the construction of the Project and has prepared the Notice of Exemption as the lead agency.

Following finalized recommendations by legal counsel, Staff recommends that the Water Resources Committee recommend that the Board of Directors adopt a Resolution finding the Project Categorically Exempt under the California Environmental Quality Act and approving the Project. Upon Board approval of the exempt Project, a “Notice of Exemption” will be filed with the County Clerk. When filed, the Clerk must post the Notice within twenty-four (24) hours of receipt and the Notice must remain posted for thirty (30) days. The filing of a Notice of Exemption is recommended because it starts a thirty-five (35) statute of limitations on legal challenges to the District’s determination that the Project is exempt from CEQA.

**FISCAL IMPACT:**

The FY21 Capital Budget includes funding for Project J-2050. Sufficient funds are budgeted for the anticipated construction and support services. A detailed cost allocation for Project J-2050 is included in Table 2.

**Table 2**

<table>
<thead>
<tr>
<th>J-2050 Total Project Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Activities</strong></td>
</tr>
<tr>
<td><strong>A. Project Delivery Cost</strong></td>
</tr>
<tr>
<td>- Project Management and Administration</td>
</tr>
<tr>
<td>- Project Design - MBN Contact (original + Amendments 1)</td>
</tr>
<tr>
<td>- Construction Management and Inspection Services (MBN -Amendment No. 2)</td>
</tr>
<tr>
<td><strong>B. Construction Cost</strong></td>
</tr>
<tr>
<td>- Construction Contract (bid)</td>
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<tr>
<td><strong>C. Project Contingency</strong></td>
</tr>
<tr>
<td>- Construction (15% of construction contract)</td>
</tr>
<tr>
<td><strong>Total Project Cost</strong></td>
</tr>
<tr>
<td><strong>FY 2021 Approved Project Budget</strong></td>
</tr>
<tr>
<td>SFID Share at 55%</td>
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<tr>
<td>SDWD Share at 45%</td>
</tr>
</tbody>
</table>
Attachment A: Summary of Bid Evaluation
Attachment B: Scope of Work and Fee Estimate for Amendment #2 for Architectural Services and Construction Support services during Construction with MBN Group, Inc.
Attachment C: Draft Notice of Exemption for Project J-2050 from CEQA
Attachment D: Draft Resolution Finding the R.E. Badger Operations Roof Replacement Project (Project J-2050), Categorically Exempt under the California Environmental Quality Act and Approving the Project

Prepared by: Marissa Potter, P.E., Associate Civil Engineer
Reviewed by: Rania Amen, P.E., Engineering Services Manager
Approved by: Albert C. Lau, P.E., General Manager
<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>ITEM DESCRIPTION</th>
<th>UNIT OF MEASURE</th>
<th>EST. QTY.</th>
<th>TL Veterans Construction Inc.</th>
<th>SD Remodeling, Inc.</th>
<th>SWCS, Inc.*</th>
<th>Spectrum Services Group, Inc.</th>
<th>Chambers Inc. dba Roof Construction</th>
<th>Commercial Waterproofing Systems, Inc</th>
<th>Best Contracting Services, Inc.</th>
<th>Averages</th>
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<td>Mobilization/Demobilization</td>
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<td>$38,000.00</td>
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* Calculated Amount Different from written Bid Amount
FEE PROPOSAL
Project Numbers: 2007
Project: J-2050 RE BADGER ROOF CA Services
Consultant: MBN Group
Client: Santa Fe Irrigation District
Date: 08/22/20

I. SCOPE OF WORK (Architectural Services Only):
Architectural Construction Support services including the followings:

- RFIs & Submittal Reviews
- 8 on site meetings
- Construction Changes
- Site punch list and 100% and Final acceptance walk thru.
- As-Built/Record Drawings

II. FEE SUMMARY (See Attached Spreadsheet):

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<th>Amount</th>
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<tr>
<td>Meetings</td>
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<td>Construction Changes</td>
<td>$4,036.00</td>
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<tr>
<td>2 Facility Walk Through (Punch List)</td>
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<tr>
<td>As-Built/Record Drawings</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$29,782.00</strong></td>
</tr>
</tbody>
</table>

Prepared By:

Minh T. Nguyen, AIA
President
MBN Group
5755 Oberlin Drive, Suite 110
San Diego, California 92121
# LEVEL OF EFFORT (LOE)

## Project Numbers: 2007
Project: J-2050 RE BADGER ROOF CA Services
Consultant: MBN Group
Client: Santa Fe Irrigation District
Date: 08/22/20

<table>
<thead>
<tr>
<th>#</th>
<th>TASKS</th>
<th>Principal in Charge</th>
<th>Project Mgr/ Arch</th>
<th>Technical</th>
<th>CAD Drafter</th>
<th>Clerical</th>
<th>Lump Sum</th>
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<th>TOTAL PRICE</th>
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<td>50</td>
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<td>As-Built/Record Drawings</td>
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<td>32</td>
<td>22</td>
<td></td>
<td>188</td>
<td>$ 29,782</td>
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</table>

Agenda page 25

Water Resources Committee
September 3, 2020
**NOTICE OF EXEMPTION**

<table>
<thead>
<tr>
<th>TO:</th>
<th>FROM:</th>
<th>Santa Fe Irrigation District (Public Agency)</th>
</tr>
</thead>
</table>
| County Clerk  
County of San Diego  
1600 Pacific Highway, Suite 260  
San Diego, CA 92101 | Address | PO Box 409  
Rancho Santa Fe, CA 92067 |

1. **Project Title:** R.E. Badger Operations Roof Replacement Project (J-2050)

2. **Project Applicant:** Santa Fe Irrigation District (“District”)

3. **Project Location – Identify street address and cross streets or attach a map showing project site (preferably a USGS 15’ or 7 1/2’ topographical map identified by quadrangle name):**
   - R.E. Badger Water Filtration Plant (“Plant”)  
   - 18535 Aliso Canyon Road  
   - Rancho Santa Fe, CA 92067

4. (a) **Project Location – City:**  
   (b) **Project Location – County:** San Diego

5. **Description of nature, purpose, and beneficiaries of Project:**
   On September 17, 2020, Santa Fe Irrigation District approved the R.E. Badger Operations Roof Replacement Project (“Project”). The Project includes the demolition and disposal of the existing approximate 10,000-square foot of roll roof, PVC roof replacement and repair to existing roof sloping, limited parapet repair, full tile removal with tile panel replacement, replacement of HVAC ductwork, and miscellaneous repainting and testing for acceptance.

   The location of project improvements are depicted in Exhibit A.

6. **Name of Public Agency approving project:** Santa Fe Irrigation District

7. **Name of Person or Agency undertaking the project, including any person undertaking an activity that receives financial assistance from the Public Agency as part of the activity or the person receiving a lease, permit, license, certificate, or other entitlement of use from the Public Agency as part of the activity:** Santa Fe Irrigation District

8. **Exempt status: (check one)**
   - (a) ☐ Ministerial project.  
   - (b) ☐ Not a project.  
   - (c) ☐ Emergency Project.  
   - (d) ☑ Categorical Exemption.  
     - State type and section number:  
     - Class 1, State CEQA Guidelines, § 15301 (existing facilities)  
     - Class 2, State CEQA Guidelines, § 15302 (replacement or reconstruction)  
   - (e) ☐ Declared Emergency.  

**ATTACHMENT "C"**
9. Reason why project was exempt:
The Project is categorically exempt from CEQA under the Class 1 exemption, which applies to “the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency’s determination.” (14 Cal. Code Regs. § 15301.) The “key consideration” under this exemption is “whether the project involves negligible or no expansion of use.” Moreover, Section 15301 gives a list of non-exhaustive examples of “minor alterations,” including the alteration of “[e]xisting facilities of both investor and publicly owned utilities used to provide … public utility services.” The Project squarely falls within the Class 1 exemption because it involves a minor alteration of an existing facility, and the alteration involves no expansion of the facility’s existing or former use. The Project merely seeks to replace the existing roof cover and repair associated roof components. The Project does not expand the Plant Operation’s building or use and thus falls within the scope of the Class 1 exemption.

The Project is further categorically exempt from CEQA under the Class 2 exemption, which applies to “replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced.” (14 Cal. Code Regs. § 15302.)

The Project merely seeks to replace a discrete and limited portion of the Plant, as noted above. Moreover, the Project will not change the purpose or capacity of the Plant. It merely seeks to replace the damage roof to prevent internal damage to the building due to existing roof leaks.

For all of the foregoing reasons, the Project is exempt from CEQA. Furthermore, none of the exceptions to the Class 1 and Class 2 exemptions set forth in State CEQA Guidelines section 15300.2 apply here. For example, the District determined based on substantial evidence that there is not a reasonable possibility that the Project will have a significant effect on the environment due to unusual circumstances. (State CEQA Guidelines, § 15300.2(c)).

10. Lead Agency Contact Person: Rania Amen
    Telephone: 858-756-2424

11. If filed by applicant: Attach Preliminary Exemption Assessment (Form “A”) before filing.
12. Has a Notice of Exemption been filed by the public agency approving the project? N/A

13. Was a public hearing held by the Lead Agency to consider the exemption? □ Yes ☒ No ☐
    If yes, the date of the public hearing was: September 17, 2020
Authority cited: Sections 21083 and 21110, Public Resources Code.
Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.
Complete removal of existing gravel built-up roof, smooth roll roof, concrete roof tiles and parapet coverings, ductwork, unused vents and fan to existing concrete deck. Replace with new insulated ductwork, PVC roofing, metal tile roofing, and repair damaged parapet framing.
RESOLUTION NO. 20-XX

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA FE IRRIGATION DISTRICT FINDING THE R.E. BADGER OPERATIONS ROOF REPLACEMENT PROJECT (J-2050) CATEGORICALLY EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND APPROVING THE PROJECT

WHEREAS, Santa Fe Irrigation District ("District") intends to implement the R.E. Badger Operations Roof Replacement Project ("Project"), which includes the Operations building roof replacement at the R.E. Badger Filtration Plant ("Plant"). The Project includes the demolition and disposal of the existing approximate 10,000-square foot of roll roof, PVC roof replacement and repair to existing roof sloping, limited parapet repair, full tile removal with tile panel replacement, replacement of HVAC ductwork, and miscellaneous repainting and testing for acceptance. The location of project improvements are depicted in Exhibit A; and

WHEREAS, the District, as lead agency under the California Environmental Quality Act, Public Resources Code Section 21000 et seq. ("CEQA"), has determined that the District’s approval of the Project is categorically exempt from CEQA under Title 14 of the California Code of Regulations, sections 15301 (existing facilities), and 15304 (minor alterations to land); and

WHEREAS, the District has considered all comments received at the public meeting on June 18, 2020 prior to adoption of this Resolution; and

WHEREAS, the determination that the District’s approval of the Project is categorically exempt from CEQA reflects the Board of Directors’ independent judgement and analysis.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Santa Fe Irrigation District as follows:

Section 1. Recitals. The Board of Directors hereby finds and determines that all of the recitals set forth above are true and correct.

Section 2. CEQA Findings. The Board of Directors finds that all components of the Project are exempt under CEQA and satisfy the criteria for one or more exemptions as follows:

(a) The Project is exempt under the Class 1 categorical exemption, which “consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency’s determination.” (14 Cal. Code Regs. § 15301.) The Project consists of expanding the external
concrete footing around the perimeter of the Clearwell which involves no expansion of the existing use.

(b) The Project is exempt under the Class 2 categorical exemption, which applies to “replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced.” (14 Cal. Code Regs. § 15302.) The Project involves the removal and replacement of the existing roll roof with associated repairs to the existing building to ensure no leakage into the existing building.

**Section 3. Additional CEQA Findings.** The Board of Directors further finds that none of the following exceptions to the categorical exemptions applies. (14 C.C.R. § 15300.2.)

(a) The Project is not located in a particularly sensitive environment as the Project impact area is located within disturbed areas of the site.

(b) The cumulative impact of successive projects of this same type in the same place over time would not be significant because the Project site is limited in size and scope, and there are no reasonable foreseeable projects that would result in cumulative impacts with the Project.

(c) The Project does not involve any unusual circumstances; it involves improvements and structures comparable to existing improvements at the site. Accordingly, there is no reasonable possibility that the Project will have a significant effect on the environment due to unusual circumstances.

(d) The Project is not located within a scenic highway and would not result in damage to any scenic resources.

(e) The Project is not located on a site designated pursuant to Government Code 65962.5 (hazardous waste site).

(f) The Project does not involve any improvements, modifications, or other changes to an historical resource.

Therefore, none of the circumstances outlined in Title 14, California Code of regulations, section 15300.2 applies. Thus, the Project qualifies for the categorical exemptions outlined above.

**Section 4. Notice of Exemption.** The Board of Directors authorizes and directs staff to prepare, execute and file with the County Clerk a Notice of Exemption for approval of the Project.

**Section 5. Custodian of Records.** The administrative record for the District’s approval of the Project is maintained at the District’s Administrative offices located at 5920 Linea del Cielo, Rancho Santa Fe, California 92067. The custodian of records is the General Manager.
Section 6. Approval of Project. Based on the findings herein, the Board of Directors approves the Project.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Santa Fe Irrigation District at a regular meeting held this 17th day of September 2020 by the following vote, to wit:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST:

Michael T. Hogan, Board President

Albert C. Lau, P.E., Secretary/Treasurer
DATE:         September 3, 2020

TO:          Water Resources Committee

FROM:        General Manager

SUBJECT:   Consider an Agreement for the Storage or Sale of Local Water to the San Diego County Water Authority by the Santa Fe Irrigation District and San Dieguito Water District

RECOMMENDATION:

It is the Staff recommendation that Water Resources Committee:

1. Recommend the Board of Directors authorize the General Manager to execute the attached Agreement for the Storage or Sale of Local Water to the San Diego County Water Authority by the Santa Fe Irrigation District and San Dieguito Water District; and

2. Authorize the General Manager to make a request to move water from Lake Hodges and store in Olivenhain Reservoir or offer for the sale of Santa Fe Irrigation District local water supplies to the San Diego County Water Authority when it is determined that such request or sale is in the best interests of the District; and

3. Discuss and take other action as appropriate.

BACKGROUND:

Lake Hodges Dam and Reservoir (Lake Hodges) was built in 1918 and acquired by the City of San Diego (City) in 1925. Since that time, Santa Fe Irrigation District (SFID) and San Dieguito Water District (SDWD) (Districts) have continued to retain local water rights in Lake Hodges water pursuant to a series of agreements with the City.

In 2014, an Amendment to the March 17, 1998 Agreement between the City, SFID, and SDWD Regarding Lake Hodges (Amended and Restated Agreement) was developed and executed to account for changes in the operation of Lake Hodges due to the San Diego County Water Authority (SDCWA) Emergency Storage Project (ESP). The Amended and Restated Agreement clarified certain key terms including the Districts’ water and storage rights in Lake Hodges. The Districts receive 50% of the local inflow into Lake Hodges. That inflow is then divided between the Districts, with SFID receiving 57.33% and SDWD receiving 42.67%.

Under the Amended and Restated Agreement, the Districts were also granted the right to divert or sell water out of Lake Hodges. The Districts and the City equally share available capacity of the Lake Hodges Projects’ facilities in order to move water from Lake Hodges. As a result, the Districts have the ability to move and potentially store water in another agency’s reservoir or sell excess water to SDCWA or other agencies.

In August 2019, the Division of Safety of Dams (DSOD) imposed a water level restriction for Lake Hodges due to the need to implement various dam performance and safety improvements.
This resulted in an overall reduction in the Lake Hodges’ capacity by approximately 60%, which hinders the Districts’ ability to maximize the capture and use of local water.

In January 2020, the Hodges Operating Plan was updated in collaboration between City, Districts, and SDCWA to maintain the new water level at 295ft. The main goals of this Operating Plan are to maintain dam safety and to minimize the loss of local water, while considering environmental and community impacts.

However, and despite all parities efforts to minimize local water loss, in April of this year, approximately 6,700 AF of local water had to be released due to the heavy rain event and restricted storage capacity.

With this agreement, the Districts can minimize the loss of local water from being released by transferring Hodges water in a strategic fashion and store it in Olivenhain Reservoir or sell it when significant rainfall events are forecasted. In order to do so, the Districts must develop agreements with SDCWA to utilize its water pumping and storage facilities with the option to sell water to SDCWA or other agencies.

**DISCUSSION:**

The Districts have worked with SDCWA staff to develop the proposed Agreement for the Storage or Sale of Local Water to the San Diego County Water Authority by the Santa Fe Irrigation District and San Dieguito Water District (Water Storage and Sale Agreement). A copy of the draft Water Storage and Sale Agreement is provided as Attachment A.

The terms and conditions for the water storage and/ or sales to SDCWA include the following:

1. The Districts may request SDCWA to move local water owned by one or both Districts in Lake Hodges using the Lake Hodges Pumped Storage Facility so as to be stored in Olivenhain Reservoir.

2. SDCWA honoring the Districts’ requests will be subject to storage availability in Olivenhain Reservoir and other operation parameters for the Lake Hodges Pumped Storage Facility.

3. The cost to move and store local water in Olivenhain Reservoir will include: SDCWA’s transportation rate in effect at the time of the water moving out of Lake Hodges, currently at $132/AF (starting Calendar year 2021, it will be $150/AF). SDCWA’s total cost to pump the local water into Olivenhain Reservoir, and a monthly storage charge of $2.35 per AF per month, as outlined in Exhibit A of the attached draft agreement.

4. No additional transportation charges will be applied to deliver the water back to Lake Hodges. Instead, the Districts will be refunded the cost to pump the local water into Olivenhain Reservoir per the Master Power Purchase & Sale Agreement between SDG&E and SDCWA.

5. SDCWA purchase volume will be subject to ESP contractual agreements, SDCWA supply obligations, regional water demands, available storage capacity in San Vicente Reservoir, and available pumping capacity.
6. The agreed purchase price for local water will be the Metropolitan Water District Full Service Untreated Tier 1 Rate, in effect at the time of the sale, less total cost to pump local water from Lake Hodges to the SDCWA’s aqueduct, as outlined in Exhibit B of the attached draft agreement.

7. Certain water quality parameters must be met in order for SDCWA to accept the purchase of Districts’ water or complete the transfer from and to Lake Hodges.

8. The term of the agreement shall be until June 1, 2035, or until the Lake Hodges Dam is repaired and the DSOD allowable storage level is returned to full capacity of elevation 315, whichever occurs first.

With this Agreement, the Districts will have more options to minimize the loss of local water supply, in conjunction with maximizing SFID’s ability to draft and treat local water. This is in addition to all the ongoing communication and coordination with the City for removing its water from Lake Hodges on a regular basis to create more storage space and comply with the DSOD requirements.

It should be noted that Lake Hodges has an extremely large watershed area – 248 square miles. The water level of Lake Hodges can increase significantly from a series of strong storm events within a short period of time. Due to the level restriction, it is important to have the ability to access SDCWA’s system to minimize potential loss of local water. Additionally, it will be necessary for the Districts, SDCWA, and the City to proactively and collaboratively manage the system during wet seasons.

Staff recommends that the Water Resources Committee recommend that the Board of Directors authorize the General Manager, or his/her designee, to make requests to move and store water in Olivenhain Reservoir or make an offer for the sale of Santa Fe Irrigation District local water supplies to the SDCWA when it is determined that such sale is in the best interests of the District.

Attachment A: Draft Agreement for the Storage or Sale of Local Water to the San Diego County Water Authority by the Santa Fe Irrigation District and San Dieguito Water District

Prepared by: Rania Amen, P.E., Engineering Services Manager
Approved by: Albert C. Lau, P.E., General Manager
AGREEMENT FOR THE STORAGE OR SALE OF LOCAL WATER TO
THE SAN DIEGO COUNTY WATER AUTHORITY BY
THE SANTA FE IRRIGATION DISTRICT AND SAN DIEGUITO WATER DISTRICT

This agreement (“Agreement”) memorializes provisions for the potential storage or purchase of local water supply, owned by the Santa Fe Irrigation District (“SFID”) and San Dieguito Water District (“SDWD”), by the San Diego County Water Authority (“Water Authority”). Collectively, the foregoing agencies are at times herein referenced as the “Parties,” and SFID and SDWD are collectively referenced as the “Districts”.

RECITALS

A. This Agreement is based on considering principles which maximize the capture and use of local water, while maintaining efficient pumped storage and aqueduct operations, ensuring no financial or operational harm to the Water Authority, and ensuring compliance with dam safety requirements.

B. The Lake Hodges Dam is currently operating under a level restriction of elevation 295 ft, which potentially limits the ability of the Districts to capture and maximize the use of local water. Each year, there is a potential ability for the reservoir to capture local water in excess of elevation 295 ft. Local water captured above elevation 295 ft must be removed in accordance with Division of Safety of Dams (“DSOD”) enforced water level restrictions and approved operating plan. In an effort to maximize the capture and use of local supplies during the time Lake Hodges is under level restrictions, the Districts may jointly desire to store local water in the Olivenhain Reservoir for later use by the Districts, or sell their local water collected in Lake Hodges to the Water Authority for use in meeting that agency’s regional supply and storage needs. The Water Authority has periodic need for water to fill its regional storage pools and to maintain adequate levels in Lake Hodges for the operation of the Lake Hodges Pumped Storage Facility. The Water Authority also has facilities which may have capacity or space from time-to-time that potentially could be utilized by the Districts to move and store local water from Lake Hodges while Lake Hodges is operated under level restrictions. This Agreement is intended to set out agreed parameters for all such matters.

C. The Parties are each aware of the terms of the Amendment to and Restatement of March 17, 1998 Agreement between City of San Diego, Santa Fe Irrigation District and San Dieguito Water District Regarding Lake Hodges, dated April 10, 2014 (“2014 Lake Hodges Agreement”), including provisions therein regarding access to the facilities at Lake Hodges necessary to transfer water between Lake Hodges and Olivenhain Reservoir. The terms of this Agreement are not intended to displace or otherwise affect the terms of the 2014 Lake Hodges Agreement.
AGREEMENT

The foregoing Recitals are incorporated here. The following terms and conditions shall all apply to the potential storage and/or purchase by the Water Authority of Lake Hodges local water supplies from the Districts (“Local Water”), should such storage and/or purchase ever occur:

1. The Districts may request that the Water Authority move Local Water owned by one or both Districts in Lake Hodges using the Lake Hodges Pumped Storage Facility so as to be stored in Olivenhain Reservoir. The Water Authority may, in its sole and absolute discretion, choose to move and store such Local Water under this Agreement or not. Under no circumstances is the Water Authority required under this Agreement to move and store this Local Water, even if requested. However, should the Water Authority choose to honor the request by the Districts, the movement and storage of the Local Water shall be on the terms stated in this Agreement.

2. The Districts shall be responsible, at their own cost, for compliance with any and all applicable environmental and other legal requirements related to the sale and movement of Local Water in Lake Hodges to the Water Authority or Water Authority facilities to the extent not previously addressed, contemplated and/or covered by the Water Authority for its Emergency Storage Project, including but not limited to the Water Authority’s Final EIR/EIS for the Emergency Storage Project.

3. Requests to move and store Local Water by the Districts shall be made in writing to the Water Authority’s Director of Operations & Maintenance, and shall include the requested time period and water volume of the proposed move/storage. Any volume of Local Water the Water Authority elects to move and store at the request of the Districts shall remain in storage in Olivenhain Reservoir until the Districts request such water to be returned to Lake Hodges or delivered to SD/SF4&5. The Water Authority will provide a written response to all requests to move and store Local Water within 10 business days of receipt. If the Water Authority does not respond within the 10 business days, it shall be deemed a rejection of the request. The Water Authority will confer with the Districts at the time of each request to determine the District’s preferred operational scheme to transfer the Local Water and to determine if it results in the loss of availability under the Master Power Purchase & Sale Agreement between SDG&E and the Water Authority.

4. The Districts shall be responsible for coordinating the sale and movement of Local Water supplies in accordance with the applicable provisions of the 2014 Lake Hodges Agreement.

5. If requested by the Districts and the City, the Water Authority shall consider lowering Lake Hodges below the minimum 290 ft elevation operating level of the Lake Hodges Hydroelectric prior to forecasted large rain events but the Water Authority is not required to honor such requests.
6. Should the Water Authority move Local Water through the Lake Hodges Pumped Storage Facility at the request of the Districts, the Water Authority shall maintain water inventory and accounting records in detail sufficient to conform to the provisions of the Lake Hodges Reservoir Regulating Manual (“RRM”). The Water Authority shall use reliable methods, including measurement where possible, and shall maintain daily records when available to measure the quantity of water withdrawn from the Lake Hodges by Water Authority pipelines. Daily information will be aggregated to determine total water sales/purchase volumes on a monthly basis. The Water Authority shall make available, at its offices, at reasonable times, such as water inventory and accounting records and other evidence for inspection and audit by the Districts.

Local Water Storage

7. Any District use of storage volume in Olivenhain Reservoir would be subject to Emergency Storage Project contractual obligations, Water Authority contractual supply obligations (i.e., QSA deliveries), regional water demands, available storage capacity, and available pumping capacity.

8. The Water Authority, should it agree to move and store Local Water as requested by the Districts, will transfer and store the Local Water under this Agreement at the time of its withdrawal from Lake Hodges. The Water Authority shall have no obligations for the Districts’ Local Water while it is in Lake Hodges even if it is identified for storage in Olivenhain Reservoir by the Water Authority. The price to move and store Local Water in Olivenhain Reservoir is agreed to include: (a) the Water Authority’s transportation rate in effect at the time of the water moving out of Lake Hodges, (b) the Water Authority’s total cost to pump the Local Water into Olivenhain Reservoir; and (c) a monthly storage charge of $2.35 per AF per month (use of portion of a given month counts as the entire month), plus any increases in that standard Water Authority storage rate over the term of this Agreement. If the transfer of Local Water results in the loss of revenue for the availability of the Lake Hodges Hydroelectric Facility, as defined in the Master Power Purchase & Sale Agreement between SDG&E and the Water Authority, the Districts agree to pay for the revenue loss in addition to the costs outlined above. Loss of availability may occur during either pumping or generation operations of the Lake Hodges Hydroelectric Facility. The Water Authority will provide an estimate of any potential availability loss prior to the transfer of any water.

Exhibit A provides an example of Local Water storage in Olivenhain Reservoir pricing calculations.

9. All the Local Water stored in Olivenhain Reservoir is subject to evaporation losses based on actual evaporation rates and the maximum Local Water stored volume each month. The Water Authority will provide a full and total water inventory and accounting report to the Districts within 90 days of each Local Water withdrawal from the Lake Hodges by Water Authority pipelines.
(a) The Districts may request delivery of Local Water stored in Olivenhain Reservoir to SD/SF4&5 or a return of Local Water to Lake Hodges if allowed under Lake Hodges water level restrictions. If delivery is requested to SD/SF4&5, then rate of delivery will be contingent upon water quality and aqueduct hydraulics as determined by the Water Authority in its sole discretion. If delivery to SD/SF4&5 requires the use of the Olivenhain Pump Station, then Districts shall be responsible for all pumping costs as described below. No additional transportation charges will be applied to deliver the water to SD/SF4&5.

(b) If delivery of the Local Water stored in Olivenhain Reservoir is requested for release to Lake Hodges and such occurs, then the Districts shall be refunded the cost to pump the Local Water into Olivenhain Reservoir based on a “first-in-last-out” “mega-watt to mega-watt” approach as outlined in the Master Power Purchase & Sale Agreement between SDG&E and the Water Authority. The amount of the refund shall be based on the actual costs to pump and in no case shall the amount of refund exceed the cost to pump on annual basis. Costs resulting from the loss of facility availability shall not be included in the amount of refund. No additional transportation charges will be applied to deliver the water back to Lake Hodges. The Water Authority shall have no obligations for the Local Water returned to Lake Hodges after it is removed from storage in Olivenhain Reservoir by the Water Authority.

10. The Districts will submit payment for all charges for transfer and storage of Local Water under this Agreement within 90 days of the end of each month that Local Water is moved from Lake Hodges to Olivenhain Reservoir by Water Authority facilities. The Water Authority will provide an invoice to the Districts reflecting the applicable charges.

11. The Water Authority will refund the cost to pump the Local Water into Olivenhain Reservoir, as described in section 9(b) above, for all Local Water released from Olivenhain Reservoir to Lake Hodges under this Agreement within 90 days of the completion of the annual energy banking reconciliation process required under the Lake Hodges Master Power Purchase & Sale Agreement, which normally occurs during the first quarter of the calendar year.

Sales of Local Water to Water Authority

12. Any Water Authority purchase of Local Water supplies, if offered for sale by the Districts, would be at the Water Authority’s sole and unilateral discretion. The Water Authority shall not be required to acquire such Local Water supplies, even if offered and available.

13. Any Water Authority purchase of Local Water would be subject to the Water Authority’s acceptance of the water quality and related considerations, including impacts to downstream water treatment plants, and the Water Authority will be deemed to have accepted the water quality at the time of sale and delivery.
14. Any Water Authority purchase volume would be subject to Emergency Storage Project contractual obligations, Water Authority contractual supply obligations (i.e., QSA deliveries), regional water demands, available storage capacity in San Vicente Reservoir or in other available storage, and available pumping capacity.

15. The Water Authority, should it decide to purchase offered Local Water, will take possession of Local Water under this Agreement at the time of sale of Local Water or at the time of the Water Authority’s withdrawal of the water from Lake Hodges, whichever is sooner. The Water Authority shall have no obligations for Districts’ water in Lake Hodges which is identified for possible sale to the Water Authority until such time as the Water Authority actually purchases it. The agreed purchase price for Local Water shall be the Metropolitan Water District Full Service Untreated Tier 1 Rate, in effect at the time of the sale, less total cost to pump Local Water from Lake Hodges to the Water Authority aqueduct, which transfer cost shall be as follows:

   a. Lake Hodges to Olivenhain Reservoir pumping cost
   b. Olivenhain Reservoir to Water Authority aqueduct pumping cost

Exhibit B provides an example of a Local Water purchase pricing calculation.

16. The Water Authority will submit payment for all purchased Local Water under this Agreement within 90 days of the last Local Water withdrawal from the Lake Hodges by Water Authority pipelines.

17. Requests to sell water to the Water Authority shall be made in writing to the Water Authority’s Director of Operations & Maintenance. The Water Authority will have 15 business days to provide a written response to all offers to sell Local Water. If the Water Authority does not respond within the 15 business days, it shall be deemed a rejection of the request.

General Provisions

18. The term of the agreement shall be until June 1, 2035, or until the Lake Hodges Dam is repaired and the DSOD allowable storage level is returned to full capacity of elevation 315, whichever occurs first.

19. Any acceptance by the Water Authority of any offer to purchase Local Water under this Agreement is subject to, and conditioned upon, the approval by the Water Authority Board of Directors, and will not be effective until such approval is acquired. Provided, however, that the Water Authority Board of Directors may authorize the Water Authority General Manager to engage in Local Water purchases in his or her reasonable discretion, as the Water Authority Board of Directors may deem advisable.
20. This Agreement may be signed in counterparts and by e-mail or facsimile, each of which shall be considered an original.

21. This Agreement shall be governed by the laws of the State of California, and any disputes pertaining to this Agreement shall be brought in the San Diego Superior Court. In any such dispute all Parties shall bear their own fees and costs.

22. This Agreement has been drafted by all Parties, and no construction shall be made against any Party as the drafting party.

The individuals entering this Agreement represent and warrant that they have the legal capacity and authority to do so on behalf of their respective legal entities.

San Diego County Water Authority

By: ___________________________ ___________________________
    Sandra L. Kerl                      Date
    General Manager

Santa Fe Irrigation District

By: ___________________________ ___________________________
    Al Lau                           Date
    General Manager

San Dieguito Water District

By: ___________________________ ___________________________
    Carl Quiram                      Date
    General Manager
Exhibit A - Hypothetical Local Water Storage Cost Calculations

Storage price for Local Water moved into Olivenhain Reservoir = Transfer Price + Storage Price – Refunded
Pumping Cost = Water Authority Transportation Cost + Hodges Pumping Cost + Olivenhain Pumping Cost (if applicable) + Monthly Storage Charge – Hodges Pumping Cost Refund (if applicable)

Note: Timing of water transfer to or from Hodges may affect facility availability revenue under the Master Power Agreement. Any loss of revenue shall be included in the Hodges pumping cost. Costs resulting from the loss of facility availability shall not be refunded. SFID/SDWD can request water transfer during times to avoid revenue loss due to loss of availability.

Example Calculation

Quantity of water to be stored by SFID/SDWD in Olivenhain - 5,000 AF
Water Authority Transportation Rate - $132/AF
Pumping cost: Lake Hodges to Olivenhain Reservoir - $40/AF
Olivenhain Reservoir Storage Charge - $2.35/AF/MO
Pumping cost: Olivenhain Reservoir to Aqueduct - $30/AF
Evaporation Rate - 3%/YR (0.25%/Mo)
Duration of Storage - 6 Months

Local Water Returned to Hodges:
Transfer Price: ($132/AF + $40/AF) x 5,000 AF = $860,000
Storage Price: 5,000 AF x $2.35/AF/MO x 6 MO = $70,500
Refunded Pumping Cost: (5,000 AF - (5,000 AF x 0.0025/MO x 6 MO)) x $40/AF = $197,000
Total net cost to store 5,000 AF for 6 Months and returned to Hodges: $860,000 + $70,500 - $197,000 = $733,500
Note: Only 4,925 AF returned to Hodges due to evaporation loss

Local Water Delivered to SD/SF4&5:
Transfer Price: ($132/AF + $40/AF + $30/AF) x 5,000 AF = $1,010,000
Storage Price: 5,000 AF x $2.35/AF/MO x 6 MO = $70,500
Total net cost to store 5,000 AF for 6 Months and delivered to SD/SF4&5: $1,010,000 + $70,500 = $1,080,500
Note: Only 4,925 AF delivered to SD/SF4&5 due to evaporation loss
Exhibit B - Hypothetical Local Water Purchase Price Calculations

Purchase price for Local Water moved out of Lake Hodges = MWD Full Service Untreated Tier 1 Rate – total pumping costs to move Hodges water to SDCWA aqueduct = MWD Full Service Untreated Tier 1 Rate – (Hodges Pumping Cost + Olivenhain Pumping Cost)

Example Calculation
Quantity of Local Water to be sold by SFID/SDWD to SDCWA - 5,000 AF MWD Tier 1 rate - $755/AF
Pumping cost: Lake Hodges to Olivenhain Reservoir - $40/AF
Pumping cost: Olivenhain Reservoir to SDCWA aqueduct - $30/AF

Purchase price = $755/AF - $40/AF - $30/AF = $685/AF

Total net cost for 5,000 AF: 5000 AF x $685/AF = $3,425,000

Agenda page 43