



COUNTY OF SAN DIEGO

LAND USE AGENDA ITEM

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DATE: February 11, 2026

02

TO: Board of Supervisors

SUBJECT

AUTHORIZATION TO ESTABLISH APPROPRIATIONS, EXECUTE UTILITY REIMBURSEMENT AGREEMENTS, AND ADVERTISE AND AWARD A CONSTRUCTION CONTRACT FOR COLE GRADE ROAD IMPROVEMENT PROJECT - PHASE 1 AND CEQA FINDING (DISTRICT: 5)

OVERVIEW

Cole Grade Road is a heavily traveled 7.9-mile road that connects the Valley Center community to State Route 76 and provides essential access to residential neighborhoods, agricultural operations, schools, and tribal communities. It also serves as a designated emergency evacuation route and supports access to the Valley Center Library and Valley Center Fire Protection District Temporary Fire Station No. 3. Much of the roadway currently exists as a two-lane road with no dedicated turn lanes, narrow shoulders, no pedestrian facilities, and insufficient drainage facilities.

The improvements to Cole Grade Road (Project) were identified by the Department of Public Works (DPW) based on community input and concerns regarding congestion and safety at key intersections, particularly near the Valley Center High School, and the lack of bike lanes and pathways. The Project proposes widening approximately 2.8 miles of Cole Grade Road between Pauma Heights Road and Fruitvale Road to add a new center, two-way left turn lane, bike lanes, and a multi-use trail. The Project also proposes to replace and improve existing stormwater systems to reduce the risk of flooding, underground overhead utilities to reduce fire risk, and install Green Street drainage features to improve water quality. The Project has been divided into two phases to streamline project development and minimize construction impacts to the community. The Project is listed by the Valley Center Community Planning Group as the number one capital improvement project priority for their community.

Design, environmental clearance, and right-of-way acquisition for Phase 1 of the Project between Pauma Heights Road and Cool Valley Road is complete. Construction of Phase 1 is scheduled to begin mid-2026 with an estimated completion in early 2028. Phase 2 of the Project, from Cool Valley Road to Fruitvale Road, is currently in the preliminary design phase and is planned to begin construction following the completion of Phase 1 in 2028 through proposed TransNet funding which will be presented to the San Diego County Board of Supervisor's the coming year.

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Today's request is to establish appropriations and approve the advertisement and subsequent award of a construction contract for Phase 1 of the Cole Grade Road Improvement Project, from Pauma Heights Road and Cool Valley Road. The total construction cost for Phase 1 is estimated at \$27,250,000, including contingency, and funding will be local sales tax revenue from TransNet, General Fund fund balance from DPW's Watershed Protection Program, and revenue from Utility Reimbursement Agreements. This request will also authorize the Director, Department of Public Works, to negotiate and execute Reimbursement Agreements with San Diego Gas & Electric Company, Pacific Bell Telephone Company dba AT&T California, Mediacom, and Valley Center Municipal Water District.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

1. Find that the Environmental Impact Report (EIR) on file in the Department of Public Works for the Cole Grade Road Improvement Project, certified by the Board of Supervisors on November 20, 2019 (08), State Clearinghouse # SCH No. 2015121090 was completed in compliance with the California Environmental Quality Act (CEQA) and State and County CEQA Guidelines, that the decision-making body has reviewed and considered the information contained therein and the CEQA 15162 Findings dated January 22, 2026 (Attachment B) before approving the project, that the EIR reflects the independent judgment and analysis of the Board of Supervisors; and

Find that there are no substantial changes in the project or in the circumstances under which it is undertaken which involve significant new environmental impacts which were not considered in the previously certified EIR, that there is no substantial increase in the severity of previously identified significant effects, and that no new information of substantial importance has become available since said EIR was prepared.

2. Establish appropriations of \$23,250,000 in the Department of Public Works Road Fund, Services & Supplies, for the construction of the Cole Grade Road Improvement Project – Phase 1 based on revenue from Transnet (\$16,000,000), available prior year Road Fund fund balance (\$1,000,000), San Diego Gas & Electric Transmission (\$2,300,000), San Diego Gas & Electric 20A Program (\$2,050,000), AT&T (\$450,000), Mediacom (\$450,000) and Valley Center Municipal Water District (\$1,000,000). **(4 VOTES)**
3. Approve and authorize the Director, Department of Public Works to negotiate and execute Utility Reimbursement Agreements between the County of San Diego and each of the following utility companies: San Diego Gas & Electric Company, Pacific Bell Telephone Company dba AT&T California, Mediacom, and Valley Center Municipal Water District.
4. Authorize the Director, Department of Purchasing and Contracting, to advertise and award a construction contract and to take other actions authorized by Section 401 et seq. of the Administrative Code with respect to contracting for Construction Contract for Cole Grade

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Road Improvement Project – Phase 1.

5. Designate the Director, Department of Public Works, as the County Officer responsible for administering the construction contract in accordance with Board Policy F-41, Public Works Construction Contracts.

EQUITY IMPACT STATEMENT

The County of San Diego is committed to supporting a transportation network that is safe and accessible for all users and modes of travel. The Cole Grade Road Improvement Project supports equitable mobility by improving access and safety for motorists, pedestrians, bicyclists, and people with disabilities in the community of Valley Center. Phase 1 improvements will add continuous bicycle lanes, pedestrian pathways, and upgraded Americans with Disabilities Act (ADA)-compliant facilities to enhance connectivity and safety for all users. The Department of Public Works (DPW) considers community health, safety, and accessibility indicators to ensure that transportation investments benefit all residents. The proposed improvements will provide safer, more equitable transportation options for residents, including children, older adults, and people with mobility challenges.

SUSTAINABILITY IMPACT STATEMENT

The project supports environmental and economic sustainability goals of the County. The project incorporates stormwater quality improvements for local habitats, consistent with County standards. Additionally, the project will implement energy-efficient lighting and use recycled durable pavement materials designed for long-term resiliency. Asphalt concrete and aggregate base is typically composed of at least 25% recycled aggregate saving thousands of tons of aggregate each year and supporting the County's sustainability goal to reduce pollution and waste through recycling. Together, these features will help extend the roadway's service life, reduce maintenance needs, and support safe, efficient travel for all users in the Valley Center community.

FISCAL IMPACT

Funds for this request are partially included in the Fiscal Year 2025–26 Operational Plan in the Department of Public Works, Road Fund. If approved, this request will result in additional costs and revenue of \$23,250,000 related to recommendation 2, for total construction costs of \$27,250,000, including contingency. The funding sources are Transnet (\$16,000,000), available prior year General Fund fund balance (\$1,000,000), bond proceeds (\$4,000,000), San Diego Gas & Electric Transmission (\$2,300,000), San Diego Gas & Electric 20A Program (\$2,050,000), AT&T (\$450,000), Mediacom (\$450,000) and Valley Center Municipal Water District (\$1,000,000). There will be no change in net General Fund costs and no additional staff years.

BUSINESS IMPACT STATEMENT

This project will improve the condition of the road which will facilitate the transit of goods and ease movement to jobs, schools, shopping and other services. County of San Diego construction contracts are also publicly advertised and competitively bid and help stimulate the local economy. All workers employed on public works projects must be paid prevailing wages determined by the

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California Department of Industrial Relations, according to the type of work and location of the project. Construction is administered in conformance with federal standards for labor practices, wage requirements, safety standards, the County of San Diego's Working Families Ordinance and are subject to ongoing reporting and verification of compliance with these federal provisions. Construction activities may cause temporary traffic delays or limited access for businesses and residents along Cole Grade Road during work hours. The Department of Public Works will coordinate with affected property owners and provide advance notice of construction schedules to minimize disruptions. Upon completion, the project will improve safety, accessibility, and circulation, supporting local businesses and the Valley Center community.

ADVISORY BOARD STATEMENT

Department of Public Works (DPW) staff have worked closely with the Valley Center Community Planning Group (VCCPG) during the design of this project to incorporate community feedback. On November 10, 2025, DPW staff met with VCCPG to present the proposed project. The VCCPG voted 13 in favor, 0 opposed, 0 abstain, 2 absent and 0 vacant positions to recommend approval of the project.

BACKGROUND

Cole Grade Road is a heavily traveled 7.9-mile road that connects the Valley Center community to State Route 76 and provides essential access to residential neighborhoods, agricultural operations, schools, and tribal communities. It also serves as a designated emergency evacuation route and supports access to the new Valley Center Library and Valley Center Fire Protection District Temporary Fire Station No. 3. Much of the roadway currently exists as a two-lane road with no dedicated turn lanes, narrow shoulders, no pedestrian facilities, and insufficient drainage facilities. For many years, the Valley Center Community Planning Group (VCCPG) has advocated for improvements to address congestion and vehicular safety concerns along the roadway and to support improvements to provide community benefits. Community members and school representatives have requested Safe Routes to School opportunities for students using the corridor, including the need for safer pedestrian connections, and access to local trails and the nearby County library.

The Department of Public Works (DPW) is proposing the Cole Grade Road Improvement Project (Project) to improve 2.83 miles of Cole Grade Road between Fruitvale Road and Pauma Heights Road, to help alleviate many of the Valley Center community's concerns. The Project will enhance traffic flow, mobility and safety by adding a center, two-way left-turn lane, bicycle lanes in both directions, and a multi-use trail along the west side of the road.

The Project also proposes replacement and improvement to stormwater infrastructure traversing Cole Grade Road, including a new bridge and improved culverts at Keys Creek just north of Cool Valley Road, which will provide additional capacity for a 100-year storm. These improvements will help reduce the potential for roadway flooding and improve resiliency to future storm events. In addition, the Project incorporates "Green Street" drainage features that will improve water quality by removing pollutants from stormwater runoff before it reaches nearby creeks. These

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features include vegetated bioswales to capture and treat stormwater and an underground storm drain system to safely convey flows and prevent roadway flooding.

To expedite project delivery and minimize community impacts, the Project is divided into two phases. Phase 1 extends 1.0 mile, from Pauma Heights Road to Cool Valley Road. Phase 2 extends 1.83 miles from Cool Valley Road to Fruitvale Road. Today's Board actions pertain only to Phase 1. The design, environmental clearance, and right-of-way acquisition for Phase 1 are complete, and all property rights required for construction have been secured.

DPW has partnered with the VCCPG and the broader community to ensure the Project continues to reflect community priorities. The Project began as a request from the VCCPG and has undergone several major design revisions over time, ultimately becoming VCCPG's number one capital improvement project priority. Initially conceived as a four-lane road, the design was revised at the request of the VCCPG to a three-lane configuration, consistent with the current Mobility Element of the County General Plan. Additional refinements, particularly related to the Keys Creek bridge, were made to minimize oak tree removal and reduce potential dewatering impacts during construction. DPW will continue working together with the Valley Center community as Phase 1 moves into construction and Phase 2 progresses through design and right-of-way acquisition.

The environmental document for the Project was certified by the Board on December 11, 2019 (01), which included adoption of the Final Environmental Impact Report (EIR), Findings of Fact, Statement of Overriding Considerations, and Mitigation Monitoring and Reporting Program. An Addendum to the EIR was later prepared on March 25, 2021 for the SDG&E TL 683 Cole Grade Road Customer Relocation Project. The current actions requested for the Project are consistent with the certified EIR and Addendum.

Project Agreements

The Project includes the conversion of overhead power poles and utility lines within the roadway improvement area to an underground system. On December 11, 2019, the Board adopted an Ordinance establishing Cole Grade Road Underground Utility District No. 116, which requires undergrounding of overhead utilities within 150 feet of the centerline of Cole Grade Road between Saint Georges Lane and Oak Meadow Road. Undergrounding reduces visual impacts, improves service reliability, and enhances public safety by reducing wildfire ignition sources and eliminating above-ground obstructions.

Utility undergrounding costs that fall within California Public Utilities Commission (CPUC) Rule 20A are fully funded by SDG&E at no cost to the County. Rule 20A allows SDG&E to use dedicated funds for utility undergrounding in areas of public interest, including heavily traveled or scenic routes. Similar CPUC rules apply to telecommunications utilities. While construction will occur concurrently with the County's roadway project, the County will initially fund the construction costs for all utility undergrounding and will be fully reimbursed by the utilities once actual costs are finalized. In the case of AT&T, the County will advance a small amount for temporary relocation work subject to the right to seek reimbursement. AT&T has agreed to pay all

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permanent undergrounding work costs. SDG&E will reimburse using Rule 20A funds, and telephone and cable utilities will reimburse using their capital budgets. The total estimated construction cost for all utility undergrounding for these facilities is \$2.95 million, with no cost to property owners. Additionally, the County will be reimbursed for other underground utility work performed on behalf of SDG&E Electrical Transmission and Valley Center Municipal Water District as part of the Project with an estimated reimbursement cost of approximately \$3.3 million. Today's recommended action will also authorize execution of the required utility reimbursement agreements and appropriate the reimbursable utility funds.

To allow the roadway project to proceed efficiently, the utility companies will temporarily relocate existing overhead poles and lines outside the Cole Grade Road right-of-way before permanently undergrounding them. This temporary relocation will clear the Project area for County construction activities and required traffic shifts.

Project Construction

The Project will improve traffic operations, multimodal connectivity, drainage capacity, and water quality along Cole Grade Road, addressing long-standing safety concerns. Construction of Phase 1 is anticipated to begin in summer 2026, following completion of overhead utility temporary relocation. Construction is expected to take approximately 15 months. The estimated construction cost for County-funded improvements is \$21,000,000, including a 10% contingency for unforeseen conditions. Funding sources include TransNet (\$16,000,000), available prior year General Fund fund balance (\$1,000,000) and bond proceeds (\$4,000,000). Phase 2 is currently in design and will move forward separately once funding has been approved through the future proposed TransNet program in the coming year by the Board and the necessary right-of-way have been secured.

The engineering plans and specifications for the Project are complete and ready for advertisement. Prior to construction, road work signs will be placed to notify the public of the work locations and approximate dates. Additional notifications, including bilingual mailers (English and Spanish) and social media updates, will be provided to nearby residents and businesses. During construction, traffic control measures will maintain access to private properties, public facilities, and businesses while minimizing disruptions to the community.

Today's requested actions are to establish appropriations of \$23,250,000 for roadway improvements and utility undergrounding, approve and authorize execution of utility reimbursement agreements, and authorize the public advertisement and subsequent award of a construction contract to the lowest bidder for Phase 1 of the Cole Grade Road Improvement project. DPW will return to the Board in the future for authority for recommendations and funding for Phase 2 of this project.

ENVIRONMENTAL STATEMENT

On November 20, 2019, the Board of Supervisors certified the Environmental Impact Report (EIR) for the Cole Grade Road Improvement Project, SCH No. 2015121090. The actions currently

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proposed; advertising and awarding the construction contract for Phase 1 remain fully within the scope of the certified EIR. There have been no changes in the project or in the circumstances under which it will be implemented that would result in any new significant environmental impacts or a substantial increase in the severity of previously identified effects. Furthermore, no new information of substantial importance has become available since certification of the EIR.

The Project will be implemented in accordance with the adopted Mitigation Monitoring and Reporting Program. Therefore, no additional environmental review is required under Section 15162 of the California Environmental Quality Act Guidelines.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's proposed actions support the Sustainability, Community, and Equity initiatives in the County of San Diego's 2026–2031 Strategic Plan by investing in infrastructure that strengthens the local economy and enhances safety and accessibility for all residents. The Cole Grade Road Improvement Project will reduce congestion and improve mobility for drivers, bicyclists, and pedestrians through roadway widening, intersection upgrades, and dedicated bike lanes.

The project advances the County's climate and sustainability goals by incorporating stormwater quality improvements, energy-efficient lighting, and multimodal transportation facilities that promote safer, more sustainable travel in the Valley Center community.

Respectfully submitted,



DAHVIA LYNCH
Deputy Chief Administrative Officer

ATTACHMENT(S)

A – Vicinity Map

B – CEQA 15162 Environmental Findings