



Agenda Report

Fullerton City Council

MEETING DATE: JANUARY 20, 2026

TO: CITY COUNCIL / SUCCESSOR AGENCY

SUBMITTED BY: STEPHEN BISE, P.E., PUBLIC WORKS DIRECTOR

PREPARED BY: TODD P. LE, PRINCIPAL WATER ENGINEER
GAR HUANG, ASSOCIATE ENGINEER

SUBJECT: WELL 10 PFAS WATER TREATMENT PROJECT GRANT
FUNDING AND CEQA EXEMPTION

SUMMARY

Approve \$4,300,000 State Water Resources Control Board grant submittal, acceptance and execution for the Water Well 10 per-and polyfluoroalkyl substances (PFAS) Water Treatment Project and CEQA project exemption.

PROPOSED MOTION

1. Adopt the following resolutions:

A RESOLUTION NO. 2026-XXX – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FULLERTON, CALIFORNIA, AUTHORIZING A REPRESENTATIVE TO SIGN AND FILE A FINANCIAL ASSISTANCE APPLICATION AND ACCEPT AND EXECUTE A FINANCING AGREEMENT WITH THE STATE WATER RESOURCES CONTROL BOARD FOR CITY OF FULLERTON WELL 10 PFAS WATER TREATMENT PROJECT

A RESOLUTION NO. 2026-XXX – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FULLERTON, CALIFORNIA, DETERMINING THE FULLERTON WELL 10 PFAS WATER TREATMENT PROJECT EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

2. Accept and appropriate receipt and use of awarded grant funds in Project 53023 PFAS Management in the Water Fund (Fund 44) and authorize City Manager, or designee, to execute and administer grant documents.

ALTERNATIVE OPTIONS

- Approve the Proposed Motion
- Provide direction for revisions to proposed recommendation

- Other options brought by City Council.

STAFF RECOMMENDATION

Staff recommends the Proposed Motion.

CITY MANAGER REMARKS

None

PRIORITY POLICY STATEMENT

This item matches the following Priority Policy Statement:

- Infrastructure and City Assets.

FISCAL IMPACT

The Orange County Water District (OCWD) is financing the Well 10 PFAS Treatment Plant Project design and construction for the City of Fullerton. The City assists OCWD to obtain grants OCWD may use to fund construction work in accordance with a 2020 Agreement with OCWD. This grant has no financial impact to the City as OCWD would use funding to offset project construction costs.

The project cost totals approximately \$8.6 million with construction costing approximately \$5.6 million. The grant application requests \$4.3 million and, if awarded, would go towards construction costs.

BACKGROUND AND DISCUSSION

The City, in addition to other Orange County cities, executed a PFAS Treatment Facilities and Program Agreement (Agreement) with OCWD to address PFAS within the Orange County Groundwater Basin in 2020. The Agreement includes provisions for OCWD to finance treatment facility designs and construction with cities paying future groundwater replenishment assessments to address costs. OCWD financed the Well 10 PFAS Water Treatment Plant Project design and construction scheduled for completion in 2028.

The Agreement states the City will support and assist OCWD in pursuing grants that fund construction work. This grant would minimize future replenishment assessment increases which the City passes through to the customer in City water rates.

The Bipartisan Infrastructure Law set aside \$5 billion through the Drinking Water State Revolving Fund (DWSRF) to reduce PFAS and other emerging contaminants exposure. The State Water Resources Control Board (SWRCB) Division of Financial Assistance administers the program in California. The SWRCB provides PFAS Grants as Emerging Contaminant (EC) Principal Forgiveness, up to a maximum \$25,000,000 award per water system. Eligible drinking water projects include new treatment and related facilities construction that address and remove EC and PFAS such as the City Well 10 Treatment Project.

Well 10 PFAS Water Treatment Project Grant Funding and CEQA Exemption
January 20, 2026

The City would receive grant funds as owner and operator of the water treatment plant under the grant funding agreement. OCWD would submit invoice(s) to the City for the total grant amount and the City would pay OCWD as “proof of payment” before seeking and receiving reimbursement from SWRCB. The City would serve as a “pass through” agency between SWRCB and OCWD with a net zero financial impact to the City of Fullerton.

The grant application requires the City to adopt a resolution to execute a grant funding agreement with the SWRCB. Attachment 1 contains the draft authorization resolution.

This item also requires exempting the Fullerton Well 10 PFAS Water Treatment Project from CEQA pursuant to CEQA Guidelines Section 15303. The project is consistent with Categorical Exemption Section 15303 because it constructs pipeline within public street right of way and well rehabilitation would not result in any significant impacts to the environment. Attachment 2 provides the resolution and Attachment 3 includes a draft version of the Notice of Exemption.

Attachments:

- Attachment 1 – Resolution No. 2026-XXX Grant
- Attachment 2 – Resolution No. 2026-XXX CEQA
- Attachment 3 – Notice of Exemption

cc: Interim City Manager Eddie Manfro