



Agenda Report

Fullerton City Council

MEETING DATE: JULY 21, 2026

TO: CITY COUNCIL / SUCCESSOR AGENCY

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

PREPARED BY: DAVID GRANTHAM, P.E., CITY ENGINEER
TODD P. LE, P.E., PRINCIPAL WATER ENGINEER
GAR HUANG, ASSOCIATE ENGINEER

SUBJECT: TEMPORARY EASEMENT AGREEMENTS AND CONSENT AGREEMENT WITH REXFORD INDUSTRIAL WELL 10 TEMPORARY PFAS TREATMENT PLANT CONSTRUCTION AND OPERATION

SUMMARY

Approve Water Well No. 10 Temporary PFAS Water Treatment Plant Temporary Easement and Temporary Construction Easement Agreement with Rexford Industrial, LLLP and Consent Agreement with Rexford and tenant, Veritiv Packaging Solutions, for Well 10 Temporary PFAS Treatment Plant construction and operation.

PROPOSED MOTION

1. Approve Water Well No. 10 Temporary PFAS Water Treatment Plant Temporary Easement and Temporary Construction Easement Agreement with Rexford Industrial, LLLP.
2. Approve Consent Agreement with Rexford Industrial, LLLP and Veritiv Packaging Solutions.
3. Authorize City Manager, or designee, to make non-substantive changes to the Agreements.
4. Authorize City Manager, or designee, to execute and administer Agreements, in a form approved by the City Attorney.

ALTERNATIVE OPTIONS

- Reject easement and tri-party agreements
- Other options brought by City Council.

PRIORITY POLICY STATEMENT

This item matches the following Priority Policy Statements:

- Fiscal and Organizational Stability
- Infrastructure and City Assets.

FISCAL IMPACT

The Temporary Easement Agreements with Rexford would obligate the City to compensate Rexford as follows:

1. Initial \$40,000 lump sum payment covering the first 12 months
2. \$3,335 per month for months 13 through 24
3. \$3,500 per month for months 25 through 60.

Project funds from Project 53023 PFAS Management within the Water Fund (Fund 44) would support the initial \$40,000 lump sum payment.

DISCUSSION

The U.S. Environmental Protection Agency (EPA) established new contamination levels for Per- and Polyfluoroalkyl Substances (PFAS) in April 2024, with a 2031 compliance deadline. PFAS has affected eight of the nine City water wells. The City retrofitted three of the affected wells with treatment plants, with two more plants currently in construction, allowing the City to provide PFAS-free water to the residents. The City shut down five other wells

The plant at Kimberly Well 2 is under construction and will house the permanent treatment facilities for both Kimberly Well 2 and Sunclipse Well 10. Staff estimates the well will become operational in late 2026. However, the two sites require additional piping for connection before the facility can treat water from Sunclipse Well 10. The Orange County Water District will manage the connection pipes installation estimated for completion no earlier than late 2027.

The proposed temporary treatment system at Sunclipse Well 10 provides a temporary bridge solution for immediate operational relief, system stability and regulatory compliance until the permanent facilities are fully constructed and operational. Investing in this interim measure now will protect public health and fire safety, reduce reliance on costly imported water and ensure a seamless transition to long-term infrastructure that aligns with state and federal regulatory requirements.

Sunclipse Well 10 is operated under an easement from the property owner, Rexford Industrial Realty (Rexford). This well is landlocked in an industrial site parking lot with parking spaces at a premium. The tenant, Veritiv Packaging Solutions (Veritiv), cannot forfeit space to the City for a permanent treatment plant. Both Rexford and Veritiv expressed willingness to allow a temporary treatment plant in the interest of the greater good for the City. The City has negotiated with Rexford and Veritiv for approximately one

year to obtain a temporary easement (TE) and temporary construction easement (TCE) to construct and operate a Temporary Treatment Plant.

The Easement Agreement between the City and Rexford and the Three-Party Consent Agreement between Rexford, Veritiv and the City appendix contains the TE and TCE easement descriptions and plat maps. Each Agreement stipulates the temporary easements shall remain valid for up to five years unless terminated earlier by the City. The City must compensate Rexford as follows:

1. Initial \$40,000 lump sum payment covering the first 12 months
2. \$3,335 per month for months 13 through 24
3. \$3,500 per month for months 25 through 60.

The City negotiated these rates negotiated based on an August 2025 Appraisal Report prepared by the City Right-of-Way Consultant, Monument ROW. The City may choose to provide a notification of termination for the temporary easement when the City no longer needs it and it the City will have no further obligation to compensate Rexford once it has restored the site to previous conditions.

Construction of the temporary treatment plant can commence within one month of executing the Agreements with anticipated project completion in November 2026. Staff would notify impacted businesses of upcoming project construction and potential impacts.

Attachments:

- Attachment 1 – Temporary Easement and Temporary Construction Easement Agreement signed by Rexford
- Attachment 2 – Consent Agreement signed by Rexford and Veritiv
- Attachment 3 – Project Location Map

cc: City Manager Eddie Manfro