



Agenda Report

Fullerton City Council

MEETING DATE: APRIL 1, 2025

TO: CITY COUNCIL / SUCCESSOR AGENCY

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

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

SUBJECT: 2025 WATER MASTER PLAN

SUMMARY

Receive and file the 2025 Water Master Plan prepared by Stantec Consulting Services, Inc. and designate the Infrastructure and Natural Resources Advisory Committee to develop Water Rate Study.

PROPOSED MOTION

1. Receive and file the March 2025 Water Master Plan prepared by Stantec Consulting Services, Inc.
2. Appoint the Infrastructure and Natural Resources Advisory Committee or subcommittee comprised of Infrastructure and Natural Resources Advisory Committee members to oversee Water Rate Study development.

ALTERNATIVE OPTIONS

- Approve the Proposed Motion
- Reject Water Master Plan and direct staff otherwise
- Create an ad-hoc committee to develop a Water Rate Study with members from other committees or as nominated by City Council
- Do not create a committee to develop the Water Rate Study
- Other options brought by City Council.

STAFF RECOMMENDATION

Staff recommends the Proposed Motion.

CITY MANAGER REMARKS

The City Manager recommends approving the Study and appointment of INRAC (or sub-committee of INRAC to serve as a review body on the Water Rate study.

PRIORITY POLICY STATEMENT

This item matches the following Priority Policy Statements:

- Fiscal and Organizational Stability
- Public Safety
- Infrastructure and City Assets.

FISCAL IMPACT

The City budgeted \$950,000 for Water Master Plan Project 53390 and \$200,000 for Water Rate Study Project 53001 in the City Capital Improvement Program (CIP) Budget within the Water Fund (Fund 44).

The City awarded a professional services agreement to perform the Water Master Plan Update and Water Rate Study Stantec Consulting Services, Inc. (Stantec) in September 2022. The Water Master Plan expended \$929,221.17 and the Water Rate Study expended \$11,985.52, leaving a combined \$208,793.31 balance for both reports. The Stantec Purchase Order for both reports has a \$173,900.75 balance leaving \$34,892.56 for remaining Water Master Plan expenses, including staff time for project management, overhead and future unforeseen change orders.

BACKGROUND AND DISCUSSION

The City last updated the Water Master Plan (WMP) in 1997. The 2025 update would provide a roadmap for the short-term (five year), near-term (ten year) and long-term (20 year) water facility Capital Improvement Program (CIP) by addressing water system aging infrastructure, future water demands and existing water resources. The updated WMP would help the City provide a reliable water supply to customers and deliver adequate flow and pressure for fire protection and system reliability while meeting regulatory requirements.

Stantec completed the updated WMP which consists of twelve chapters examining and analyzing the city water system and any identified deficiencies. These chapters include:

- Executive Summary
- Existing System Facilities
- Water Supply
- Water Quality
- Water Use
- Planning and Evaluation Criteria
- Model Development and Calibration

- Water System Evaluation
- Planning Scenarios
- Facility Condition Assessment
- Risk Assessment
- Capital Improvement Program.

The final chapter lists capital improvement projects and water system deficiencies recommended that the City address. These include improvements for:

- new and existing water wells
- existing booster pump stations
- existing reservoirs
- fire protection
- system reliability
- future developments.

The 2022 Stantec contract award includes a Water Rate Study to develop a financing plan to evaluate options and recommend alternatives for addressing deficiencies. The Water Rate Study develops a five-year and ten-year financial management plan. The Study projects revenue, operations and maintenance costs, capital improvement costs, groundwater and imported water costs, reserve funding and debt service costs. The Study recommends specific rate structures to equitably recover the cost of service while minimizing financial impact to ratepayers and meeting Proposition 218 and other legal requirements.

The City completed the last Water Rate Study in 2019. City Council appointed a Water Rate Study Ad Hoc Committee to work with staff to evaluate multiple alternative CIP project schedules. Staff intends to follow the same process to develop the updated Water Rate Study and has begun work on a financing plan. Staff recommends City Council appoint a committee to discuss options and approaches to financing these recommendations.

Staff recommends assigning this responsibility to the Infrastructure and Natural Resources Advisory Committee or a sub-committee comprised of Infrastructure and Natural Resources Advisory Committee members. The Committee would hold informational workshops with the consultant and staff to review water rate models and potential rate increases. The Committee would discuss this item during regular meetings or properly noticed special meetings. A subcommittee would set meeting dates and times convenient for sub-committee members and in compliance with City and State public meeting procedures. The public could attend all meetings. Staff anticipates presenting committee recommendations to City Council for final action in Winter 2025.

Attachments:

- Attachment 1 – PowerPoint Presentation

- Attachment 2 – Water Master Plan
- Attachment 3 – Water Master Plan Appendices

cc: City Manager Eric J. Levitt