



Folsom City Council Staff Report

MEETING DATE:	4/22/2025
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 11359 - A Resolution Authorizing the City Manager to Execute the Phase 2 Water Transmission Facilities Reimbursement Agreement between the City of Folsom and Certain Land Owners in the Folsom Plan Area
FROM:	Environmental and Water Resources Department

RECOMMENDATION / CITY COUNCIL ACTION

The Environmental and Water Resources Department recommends the City Council pass and adopt Resolution No. 11359 - A Resolution Authorizing the City Manager to Execute the Phase 2 Water Transmission Facilities Reimbursement Agreement between the City of Folsom and Certain Land Owners in the Folsom Plan Area.

BACKGROUND / ISSUE

The City of Folsom currently supplies treated and untreated water to an array of residential, commercial, institutional, and industrial users for over 25,000 connections. Based on land use, water demand, and water supply detailed in the City's Water Master Plan, the ultimate Folsom Plan Area (FPA) maximum daily demand is 8.8 million gallons per day (MGD), which does not include the 0.4 MGD demand within the El Dorado Irrigation District service area.

The Phase 2 Water Transmission Facilities includes a new 24" diameter water transmission pipeline that extends from an existing manifold located at the intersection of East Bidwell and Iron Point, on the northerly side of US 50, and extends north to the City's Water Treatment Plant (WTP) by ways of the rail and trail shoulder located on East Bidwell to Oak Avenue Parkway and placement within Oak Avenue Parkway. The project generally consists of the following:

- Additional potholing as needed to identify utility conflicts.
- Development of Traffic Control Plans for work covered in the project plans and specifications.

- Construction of approximately 18,500 L.F. of new 24” pipeline along the Oak Avenue and East Bidwell corridors.
- Construction of tie-ins to existing pipelines at the WTP, Scholar Way and Broadstone Parkway.
- Trail modifications, grading, paving, drainage system modifications, and tree protection.

POLICY / RULE

In accordance with Chapter 2.36 of the Folsom Municipal Code, supplies, equipment, services, and construction with a value of \$75,049 or greater shall be awarded by City Council.

ANALYSIS

The City solicited bids for the construction of the Phase 2 Water Transmission Facilities in August 2024 and entered into a construction contract with Mozingo Construction, Inc., who submitted the lowest responsive responsible bid based upon a guaranteed maximum price procurement approach in November 2024. On October 23, 2024, the Folsom Ranch Financing Authority issued and sold \$26,735,000 in aggregate principal amount Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services) Special Tax Revenue Bonds, Series 2024 (Series 2024 Bonds) to finance certain Authorized Facilities consisting primarily of 18,500 linear feet of 24-inch water transmission pipeline to provide expanded water transmission conveyance capabilities to deliver water from City’s water treatment plant to the Folsom Plan Area (Phase 2 Water Transmission Facilities).

The attached agreement memorializes the Land Owner’s rights to certain reimbursements related to design work completed at the sole cost and expense of the Land Owners for the construction of Phase 2 Water Transmission Facilities. Following completion and acceptance of the construction work by City, the reimbursements shall be paid by City to the Land Owners as specified in the agreement within thirty (30) days with remaining proceeds of the Bonds (Bond Proceeds), pay-as-you-go (PAYGO) funds, and/or special taxes becoming available to fund the direct payment of the reimbursements and not required to fund debt service or administrative expenses in accordance with the Rate and Method of Apportionment. Effectively, the agreement requires that the construction of the Phase 2 Water Transmission Facilities be accepted and complete prior to reimbursing the Land Owners for previous project costs and expenses.

This resolution will authorize City Manager to execute the Phase 2 Water Transmission Facilities Reimbursement Agreement between the City of Folsom and Certain Land Owners in the Folsom Plan Area.

FISCAL IMPACT

This reimbursement agreement is funded by PAYGO funds from the established Community Facilities District No. 17 (Fund 737) and special tax revenue bond proceeds and PAYGO funds from Community Facilities District No. 18 (Fund 738). Thus, no ratepayer funding will be used for the reimbursements included in this agreement.

ENVIRONMENTAL REVIEW

On December 11, 2012, through Resolution No. 9096, the Folsom City Council approved and certified an addendum to the Environmental Impact Report, along with its related Mitigation Monitoring and Reporting Program, for the Folsom Plan Area (FPA) Specific Plan Project for purposes of analyzing an alternative water supply for the Project. The Addendum concluded that the use of the FPA Water Supply and the changes in the facilities to treat and convey that water supply to the FPA will not (1) result in new significant impacts not identified in the FPA EIR/EIS; (2) substantially increase the severity of impacts previously disclosed in the FPA EIR/EIS; or (3) involve any of the other conditions related to new information that can require a subsequent or supplemental EIR under Public Resources Code section 21166 and CEQA Guidelines section 15162, and that therefore the use of the FPA Water Supply and changes in the facilities to treat and convey that supply will not have any incrementally significant effects on the environment and that the impacts of the use of the FPA Water Supply are within the range of potential impacts identified in the FPA EIR/EIS.

ATTACHMENTS

1. Resolution No. 11359 - A Resolution Authorizing the City Manager to Execute the Phase 2 Water Transmission Facilities Reimbursement Agreement between the City of Folsom and Certain Land Owners in the Folsom Plan Area
2. Folsom Plan Area Phase 2 Water Transmission Facilities Reimbursement Agreement

Submitted,

Stacey Tamagni
FINANCE DIRECTOR/CFO

Marcus Yasutake, Director
ENVIRONMENTAL AND WATER RESOURCES DEPARTMENT