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**ORANGE COUNTY WATER DISTRICT**  
ORANGE COUNTY'S GROUNDWATER AUTHORITY

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June 8, 2021

The Honorable Nancy Skinner, Chair,  
Senate Budget and Fiscal Review Committee  
State Capitol, Room 5019  
Sacramento, CA 95814

The Honorable Bob Wieckowski, Chair,  
Senate Budget Subcommittee on Resources, Environmental Protection and Energy  
State Capitol, Room 5019  
Sacramento, CA 95814

The Honorable Phil Ting, Chair,  
Assembly Committee on Budget  
State Capitol, Room 6026  
Sacramento, CA 95814

Assemblymember Richard Bloom, Chair  
Budget Subcommittee 3  
State Capitol, Room 2003  
Sacramento, CA 95814

RE: State Final Budget Priorities

Dear Chair Skinner, Chair Wiekowski, Chair Ting, and Chair Bloom:

On behalf of Orange County Water District (OCWD; the District) we appreciate the *Senate Budget Plan on Drought, Safe Drinking Water, Water Supply Reliability, and Ratepayer Assistance*. As California enters another drought, it is imperative that the state take action to quickly address the impacts of the current drought as well as to help mitigate impacts from the next drought. One key action is restoring groundwater supplies in southern California to alleviate reliance on imported water from the State Water Project and the Colorado River Aqueduct. OCWD recommends the following funding priorities that directly benefit the Orange County Groundwater Basin and retail water agencies that are “shovel-ready” and/or are currently underway:

**1. Water Quality:** \$250 million to the State Water Board for competitive grants for capital costs to clean up PFAS groundwater contamination.

As you may have heard, two types of PFAS – perfluorooctanoic acid (PFOA) and

perfluorooctane sulfonate (PFOS) – have been detected in Southern California's groundwater supplies. Water agencies that detect PFOA and PFOS above the state response level either notify customers or remove the well from production. Many have chosen to do the latter and are planning to invest in wellhead treatment.

For more than a year, the District has been conducting a series of studies to determine the nature and extent of the PFAS pollution within the Orange County Groundwater Basin and has started treatment system design and construction efforts for 11 of its impacted retail water agencies.

Dozens of drinking water wells, that would have served up to 800,000 people, in the service areas of Anaheim, East Orange County Water District, Yorba Linda Water District, Irvine Ranch Water District, Fullerton, Garden Grove, Orange, Santa Ana, Tustin, Golden State Water Company, and Serrano Water District have been taken out of service due to PFAS.

The cost of well head treatment for just these communities is estimated at \$280 million in capital costs, but it could increase as more wells are tested. The total impact to the District's service area over the next 30 years solely from the remediation of PFAS is approximately \$1 billion.

Increasing state funding for wellhead treatment of PFAS to a minimum of \$250 million will help communities keep drought-resilient local groundwater supplies in production and lessen the need to purchase less reliable and more costly imported water.

***2. Water Data and Forecast Improvement: \$15 million to Department of Water Resources for projects that improve precipitation forecasting for use in forecast informed reservoir operations (FIRO), groundwater recharge, and flood risk management.***

Continued funding for the Department of Water Resources Atmospheric Rivers: Research, Mitigation, and Climate Forecasting Program (AR Program) would significantly aid the 2.3 million ratepayers in OCWD's service area through reducing the need to purchase costly imported water from northern California and the Colorado river.

An AR is a narrow region in the atmosphere that is responsible for most of the horizontal transport of water vapor outside of the tropics and causes 90% of the floods and 40%-50% of the total water supply in California. Advancing research and observations for unique region-specific forecasts may permit Prado Dam, located in Corona, during a wet year, to capture up to 20,000 acre-feet of additional water behind the dam, or enough water for 60,000 people.

Increased forecast ability (longer lead time) for atmospheric rivers will allow the United States Army Corps of Engineers and OCWD to update operations at Prado Dam to improve water supply reliability in a changing climate.

***3. Recycled Water and Desalination: \$750 million to the State Water Resources Control Board (State Water Board) for competitive grants for projects related to water reuse and water recycling; and \$150 million for brackish and seawater desalination.***

OCWD is home to the Groundwater Replenishment System (GWRS), which is the world's largest potable reuse facility, which purifies treated wastewater to drinking water standards, creating a new supply of water used to replenish the Orange County Groundwater Basin. A regional asset managed by OCWD, the Basin provides 77% of the drinking water for north and central Orange County. OCWD, along with our project partner, OC San, is currently constructing the Final Expansion of the GWRS to increase production from 100 million gallons of water per day (MGD) to 130 MGD by 2023—enough water for 1 million people. When complete, this project will allow the region to recycle 100% of OC San's reclaimable flows—an industry first.

OCWD's Board is also considering a partnership with Poseidon Resources to develop a 50 MGD ocean desalination plant in the city of Huntington Beach. Poseidon is responsible for permitting, designing and constructing the treatment plant while OCWD would develop the necessary infrastructure to distribute the new local water supply. The capital cost of the infrastructure to distribute the desalinated water is between \$300 to \$400 million. The project would significantly improve the regions water reliability by reducing the reliance on imported water.

***4. Protection of Groundwater from Sea Level Rise: Add an eligibility category for funding for competitive grants to protect groundwater basins from sea water intrusion through the development of injection wells to maintain a water pressure "barrier."***

Within OCWD's service area there is a low-lying area near the coast in the cities of Seal Beach and Huntington Beach. It is one of four geologic lowlands along coastal Orange County that can provide an underground pathway for seawater to migrate into the aquifers which are tapped by inland drinking water wells throughout the OCWD service area of 2.5 million people. The estimated cost to develop injection wells to push the seawater back from drinking water wells is \$100 million.

OCWD's investigation thus far indicates that seawater extends to a depth of about 300 feet below ground and will impact additional drinking water wells if control measures are not undertaken.

***5. Sustainable Groundwater Management: Sustainable Groundwater Management: Any funding provided for SIGMA please allow for basins that have an approved "alternative plan" to also be eligible for funding as OCWD has an alternative plan approved by the Department of Water Resources.***

Chair Skinner, Chair Wiekowski, Chair Ting, and Chair Bloom  
June 8, 2021  
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We appreciate your leadership in advancing this proposal and strongly urge that the above priorities are included in the final budget agreement. Please do not hesitate to contact us or OCWD Legislative Liaison Alicia Dunkin at [adunkin@ocwd.com](mailto:adunkin@ocwd.com) or (714) 477-3750 if you have any questions and/or if we may be of any assistance on water policy issues in the coming year.

Sincerely,

A handwritten signature in blue ink that reads "Stephen R. Sheldon". The signature is written in a cursive, flowing style.

Stephen R. Sheldon  
Board President

cc:

Senator Josh Newman, 29<sup>th</sup> District  
Senator Bob Archuleta, 32<sup>nd</sup> District  
Senator Tom Umberg, 34<sup>th</sup> District  
Senator Patricia Bates, 36<sup>th</sup> District  
Senator Dave Min, 37<sup>th</sup> District  
Assemblymember Phillip Chen, 55<sup>th</sup> District  
Assemblymember Sharon Quirk- Silva, 65<sup>th</sup> District  
Assemblymember Steven S. Choi, Ph.D., 68<sup>th</sup> District  
Assemblymember Tom Daly, 69<sup>th</sup> District  
Assemblymember Janet Nguyen, 72<sup>nd</sup> District  
Assemblymember Laurie Davies, 73<sup>rd</sup> District  
Assemblymember Cottie Petrie-Norris, 74<sup>th</sup> District  
Joe Sephenshaw, Staff Director, Senate Committee on Budget and Fiscal Review and  
Senate Budget Subcommittee on Resources, Environmental Protection and Energy  
Christian Griffith, Chief Consultant, Assembly Committee on Budget