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ORANGE COUNTY WATER DISTRICT
ORANGE COUNTY'S GROUNDWATER AUTHORITY

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March 24, 2022

Wade Crowfoot
Secretary for Natural Resources
715 P Street, 20th Floor
Sacramento, CA 95814

Karla Nemeth
Director, CA Department of Water Resources
1416 Ninth Street
Sacramento, CA 95814

Re: May Revise Request, Grant Funding for PFAS Contamination Cleanup and Programmatic Funding for Atmospheric Rivers Research Program

Dear Secretary Crowfoot and Director Nemeth:

Orange County Water District (OCWD; the District) is a global leader in water resiliency and is dedicated to the development of a sustainable, safe water supply for 2.5 million people. Home to the Groundwater Replenishment System (GWRS), the world's largest water recycling project, OCWD is also leading the way in swiftly addressing PFAS. The District implemented the nation's largest pilot program to develop effective PFAS treatment systems and has been designing and building systems throughout the county, since the state's Response Levels for PFOA and PFOS were lowered.

OCWD and the 19 retail water agencies we serve request that the following be included in the Governor's May Revise budget: (1) grant funding of \$500 million to aid water districts in cleaning up PFAS contamination retroactive back to when the state's drinking water Response Levels were lowered in 2020; (2) an \$138 million earmark which is 50% of OCWD's estimated cost to construct new treatment facilities; and (3) programmatic funding of \$10 million in the Department of Water Resources budget for Atmospheric River/Forecast Information Reservoir Operations (AR/FIRO).

PFAS grant funding

Groundwater from OCWD comprises most of the water supply in our service area, with some water providers relying on it for 100% of their supply. Currently, 11 of the water agencies we serve are impacted by PFAS and a total of 59 wells require treatment—this number may increase. All but two of these wells are located within disadvantaged communities. The capital cost for the 36 individual PFAS treatment plants is approximately \$277 million, with a total PFAS price tag, including operations and maintenance, estimated at \$1 billion over 30 years. Four treatment plants, including the nation's largest at the Yorba Linda Water District, are already operating. PFAS impacts vary by provider with some having all their wells affected. Given that OCWD provides the primary water source to its service area and has experienced severe PFAS impacts, an early and robust response to this issue was necessary.

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PFAS not only affects Orange County, but impacts counties statewide including Riverside, Los Angeles, San Diego, Fresno, Alameda, San Joaquin, Butte, Tulare, and Sacramento. An informal survey of impacted cities and water districts in these counties yielded an estimated combined total of \$573.4 million in capital costs, with operations and maintenance costs far exceeding \$2 billion over the next 30 years. This cost will increase as more areas are surveyed and treatment cost estimates are developed.

We, therefore, ask that the Governor provides \$500 million in retroactive grant funding since the state's drinking water Response Levels were lowered in February 2020 for capital, operations, and maintenance costs in the May Revise for PFAS cleanup. This will provide direct assistance to those entities that acted quickly to address the issue, with an earmark of 50% of the capital cost for OCWD at \$138 million. This would help keep water rates affordable in PFAS impacted areas throughout the state.

AR/FIRO funding

Additionally, the State's investment in the Department of Water Resources Atmospheric Rivers: Research, Mitigation, and Climate Forecasting Program (AR Program) provides critical support in implementing FIRO—a vital drought resilience tool that is critical to sustaining California's water supplies. State funding is also leveraged with federal funding across multiple agencies. Fiscal Year 2022-23 funding of \$10 million will continue the improvement of AR forecasts to enhance the viability of FIRO and its potential to increase water supply reliability in Orange County. With no new infrastructure, Orange County's supplies can be increased by 30,000 acre-feet in a wet year, enough water for 250,000 residents.

We sincerely appreciate your consideration of these requests and encourage you to contact us should you need additional information. Legislative Affairs Liaison Alicia Dunkin may be reached at (714) 477-3750 or adunkin@ocwd.com to help facilitate your requests.

Sincerely,



Michael R. Markus, P.E., D.WRE
General Manager