

AGENDA
SOUTHEAST WATER COALITION
REGULAR MEETING OF THE POLICY BOARD
THURSDAY, APRIL 3, 2025, 7:00 p.m.

Norwalk Arts & Sports Complex
Sproul Room
13000 Clarkdale Avenue
Norwalk, CA 90650

1. ROLL CALL

2. PUBLIC COMMENTS

3. CONSENT CALENDAR

**a. SEWC BOARD OF DIRECTORS MINUTES OF FEBRUARY 6, 2025
REGULAR MEETING (Enclosure)**

Recommendation: Approve minutes as submitted.

b. WARRANT REGISTER (Enclosure)

Recommendation: Approve Warrant Register.

**** End of Consent Calendar****

**4. PRESENTATION - WATER REPLENISHMENT DISTRICT (WRD) DRAFT
FISCAL YEAR (FY) 2025/26 BUDGET AND PROPOSED REPLENISHMENT
ASSESSMENT**

Jacqueline Koontz, Lead Agency Staff – City of Norwalk

Recommendation: Receive a presentation by WRD Staff regarding WRD Draft FY 2025/26 Budget and Proposed Replenishment Assessment.

**5. DISCUSSION/ACTION REGARDING CONCERNS ON WRD'S BUDGET-
RELATED ACTIVITIES**

a. February 7, 2025 WRD Letter

b. Draft Letter to WRD

Jacqueline Koontz, Lead Agency Staff – City of Norwalk

Recommendation: Approve and send letter to WRD regarding critical concerns on WRD-budget related activities.

6. GENERAL LEGISLATIVE UPDATE

a. Memo from Legal Counsel

Jacqueline Koontz, Lead Agency Staff - City of Norwalk

Recommendation: Receive a report from Legal Counsel regarding SB454 (McNerney), AB794 (Gabriel) and HR1267 (Gluesenkamp Perez)

7. BOARD OF DIRECTORS COMMENTS

8. ADMINISTRATIVE ENTITY CHAIR / LEAD AGENCY COMMENTS

9. ADJOURNMENT

On March 31, 2025, the foregoing agenda was posted in accordance with the applicable legal requirements. Regular and Adjourned Regular meeting agendas may be amended up to 72 hours and Special meeting agendas may be amended up to 24 hours in advance of the meeting.

Disability-related services are available to enable persons with a disability to participate in this meeting, consistent with the Federal Americans with Disabilities Act of 1990. Please contact the City of Norwalk Public Utilities Department at least 24 hours in advance of the meeting at (562) 929-5511.

The next meeting of the Southeast Water Coalition Policy Board will be on Thursday, June 5, 2025, 7:00 PM, at Norwalk Arts & Sports Complex, Sproul Room, 13000 Clarkdale Avenue, Norwalk, CA 90650.



**MINUTES OF THE SOUTHEAST WATER COALITION
REGULAR MEETING OF THE POLICY BOARD
THURSDAY, FEBRUARY 6, 2025, 7:00 p.m.**

A regular meeting of the Board of Directors of the Southeast Water Coalition Joint Powers Authority was held on Thursday, February 6, 2025 at 7:00 p.m. at the Norwalk Arts & Sports Complex, Sproul Room, 13000 Clarkdale Avenue, Norwalk CA 90650. Chair Ana Valencia called the meeting to order at 7:04 p.m. At the time the meeting was called to order, a quorum of members was present.

Ms. Madeline Anderson took attendance, and the following Board of Directors members were present:

BOARD MEMBERS PRESENT:

Kevin Lainez	City of Commerce
Horacio Ortiz	City of Downey
Todd Rogers	City of Lakewood
Ana Valencia	City of Norwalk
Isabel Aguayo	City of Paramount
Andrew Lara	City of Pico Rivera
Joe Angel Zamora	City of Santa Fe Springs
Maria del Pilar Avalos	City of South Gate
Melissa Ybarra	City of Vernon
Octavio Martinez	City of Whittier

STAFF AND GUESTS ON SIGN-IN SHEET:

Jared Lee	City of Cerritos – AE
Andrew Caraveo	City of Commerce – AE
Dan Mueller	City of Downey – AE
Derek Nguyen	City of Lakewood – AE
Glen Kau	City of Norwalk – AE
Michelle Tse	City of Paramount – AE
Joanna Moreno	City of Vernon – AE
Ray Cordero	City of Whittier – AE

Kyle Cason
Jacque Koontz
Michael Jea
Madeline Anderson
Nicholas Ghirelli
Genesis Rodriguez
Elisa Mendez
John Bednarski
Kimberly Wilson
Stephan Tucker
Vera DeWitt

City of Whittier – AE
City of Norwalk Staff
City of Norwalk Staff
SEWC Staff
Richards Watson & Gershon
LA County Sanitation Districts
Metropolitan Water District
Metropolitan Water District
Metropolitan Water District
Water Replenishment District
Water Replenishment District

ITEM 2 – PUBLIC COMMENT

None.

ITEM 3 - CONSENT CALENDAR

Director Rogers moved to approve the consent calendar.

The motion was seconded by Director Zamora and was approved by the following voice vote:

AYES: Lainez, Rogers, Valencia, Aguayo, Lara, Zamora, Avalos, Ybarra, Martinez

NOES: None.

ABSTAIN: Ortiz

ITEM 4 - DISCUSSION/ACTION REGARDING PURE WATER SOUTHERN CALIFORNIA PROGRAM OVERVIEW PRESENTATION BY THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA (MWDSC)

Mr. Kau began by providing context on the Pure Water Southern California Program presentation, noting that the AE members had received the same presentation at the last AE meeting and provided feedback for this Board meeting presentation.

Mr. Bednarski began with an announcement that there would be less digging than originally planned, which is a positive development as it means less disruption, particularly for the cities of SEWC.

Mr. Bednarski provided an overview of the program, highlighting the pipeline alignment and MWDSC's role as a wholesaler water provider. MWD operates five

large treatment plants and supplies water to 19 million people through 26 member agencies but does not directly retail water to households. The district also owns the Colorado River Aqueduct and has successfully increased its water supply through conservation efforts. However, water availability varies yearly based on weather conditions, leading to rationing when necessary.

The CAMP4W (Climate Adaptation and Mitigation Plan for Water) initiative examines current practices, future projects, and the impact of climate change on hydrology. California has already reduced water consumption by 35-40% over the past several decades, with current demands lower than in the 1980s. The Pure Water Southern California program will help meet those demands by collecting used water, purifying it, and repurposing it, instead of discharging it into the Pacific Ocean, which is the current practice. The purified water will be transported from Carson to the San Gabriel region to meet water needs in both areas while collaborating with other regions along the way. The program aims to produce 150 million gallons per day—enough for 1.5 million people—making it one of the largest programs of its kind. Most of the treated water will be used for groundwater replenishment, with minerals added back to enhance quality.

The program requires a \$6 billion investment and expects to create 45,000 jobs. A workforce training center will be established to train water and wastewater operators, benefiting the local community. The program is currently in the environmental planning stage, with a draft Environmental Impact Report (EIR) expected in April and a final EIR anticipated in January of next year. Preliminary designs are underway, and construction is expected to begin in 2027-2028. Funding sources include \$80 million in state funding, \$7 million in federal grants, \$16.5 million from partner contributions, and \$125 million from the U.S. Bureau of Reclamation. Additional funding opportunities, such as state climate bonds and partnership contributions, are still being explored.

A demonstration plant is being used for testing and planning for direct potable reuse (DPR) pilot testing. Agreements are being developed with member agencies and partners to distribute the water. The project will include a labor agreement, internships, and job opportunities, with a strong focus on public education and community outreach.

During the discussion, Director Lara thanked Mr. Bednarski for working with the City of Pico Rivera and noted that SCE had upgraded the easement. There was also a discussion about President Donald Trump's comments regarding "opening up the spigots" for water access. Director Avalos clarified that this statement was related to wildfires, and Mr. Bednarski explained that water releases from reservoirs had disappointed farmers. Trump had promised to relax restrictions to increase water availability for agriculture and Southern California.

Director Lara inquired about the status of tunnel construction for the project. Mr. Bednarski responded that geotechnical investigations and permit acquisitions were underway, with tunnel construction expected to begin in two years. Public comments on the project have been extensive. Director Martinez asked about PFAS, and Mr. Bednarski confirmed that the reverse osmosis system used in the treatment process would eliminate PFAS contaminants from the water.

Director Lainez inquired about the cost of the treated water and the anticipated rate increases. Mr. Bednarski explained that untreated water is currently sold to member agencies at \$1,200 per acre-foot, while the treated water is projected to cost around \$3,000 per acre-foot—three times more expensive. The goal is to have the MWDSC Board of Directors distribute the cost in a way that would result in an approximate 20% increase. However, this increase will be phased in over time. Financing will be handled through bond issuances, with projected rate increases of 10-13% per year. Mr. Cason noted that while costs are rising, the higher price may also reduce reliability issues.

Director Avalos raised concerns about workforce opportunities and ensuring that workers from the South LA region are included in the project. Mr. Bednarski clarified that the program is nonpartisan in terms of hiring location.

Mr. Bednarski offered a tour of the facility and Director Valencia asked whether SEWC cities should approach the tour collectively or individually. A suggestion was made to host a meeting or a "lunch and learn" session to discuss opportunities further. Mr. Bednarski mentioned that dates could be sent out to members for coordination.

**ITEM 5 - DISCUSSION/ACTION REGARDING SEWC FOLLOW-UP LETTER TO THE
DIVISION OF DRINKING WATER (DDW) – HOLLYWOOD DISTRICT**

Mr. Kau began the discussion with a reminder that the original letter to DDW was sent expressing concerns regarding unregulated requirements and at the December SEWC Board Meeting, the City of Lakewood brought up the fact that some of the issues were still ongoing. The Board agreed to send a follow-up letter, and Glen noted that there are no updates regarding the follow-up letter to DDW. After sending the letter, SEWC has not received any responses from DDW.

Director Rogers reiterated that we sent the letter December 10th, and we have not received a response. Mr. Nguyen mentioned that he also reached out and DDW noted that they have been busy with the fires. Director Lara thanked SEWC for the efforts of the cities to create and send this letter and because of this agency, Pico Rivera was able to have meetings with DDW, who understood their concerns about red tape and roadblocks.

ITEM 6 - DISCUSSION/ACTION REGARDING WATER REPLENISHMENT DISTRICT (WRD)
BUDGET ADVISORY COMMITTEE (BAC) LETTER

Director Valencia passed the discussion over to Mr. Kau who provided context around the Water Replenishment District of Southern California "WRDSC", the creation of the BAC, and how WRDSC approved a modification of their original code, adding new members. At the December SEWC Board meeting, concerns were raised about the fairness of this adjustment, with the City of Lakewood also expressing concerns about potential conflicts of interest. Two draft letters addressing these concerns were presented at the meeting, and it was decided that legal counsel would combine them into a single updated letter to be sent to WRDSC.

Mr. Stephan Tucker from WRDSC introduced his team and thanked SEWC for hosting them at the meeting. He acknowledged that the word "collaboration" had been used frequently and expressed his desire for continued cooperation moving forward. He emphasized that the BAC has no legal authority to set rates. For elected officials, BAC members serve four-year terms. Originally, the BAC was intended to review budgets and provide recommendations, but the legislation that established it has since sunsetted. Despite this, WRDSC decided to keep the BAC in place without any formal legal requirements or parameters. Historically, the BAC has included representatives from both the West Coast and Central Basins, consisting of small, medium, and large pumpers. However, the last election resulted in an imbalance in representation, leaving the West Coast Basin underrepresented. To address this, WRDSC amended its code to ensure equal representation. Mr. Tucker noted that ad-hoc meetings were open to the public and properly noticed and that WRDSC's decisions impact all pumpers equally. He reassured members that WRDSC always prioritizes keeping costs as low as possible and takes pride in being the most cost-effective water management option.

Mr. Tucker acknowledged the concerns raised and explained that the current solution is temporary. The issue will be revisited after the rate-setting process is completed. He invited all members to attend upcoming meetings to stay informed. Director Rogers thanked WRDSC for its collaboration and raised concerns about the impact of the changes. He pointed out that the Central Basin covers about 81% of WRD's costs, while the West Coast Basin accounts for only 19%, yet the new structure aims for equal representation. He questioned how the division between the two basins was determined. Mr. Tucker explained that the boundary is defined by the Newport-Inglewood Fault, though it is not visible. He emphasized that he does not weigh decisions based on financial contributions

alone, noting that if decisions were based purely on volume pumped, Long Beach would outvote all other regions.

Director Lara raised concerns about pumping into the West Basin spreading grounds, highlighting that not all areas feel WRDSC's decisions equally. He pointed out that Pico Rivera has been significantly affected by contaminated water being dumped into spreading grounds and argued that SEWC should have a higher level of representation. Additionally, concerns were raised about contaminants, particularly PFAS. Mr. Tucker noted that the EPA has a long list of contaminants that many people are unaware of, with PFAS being just one of 1,200 chemical compounds found in water supplies. He explained that WRDSC distributes recycled water widely, with its PFAS program primarily focused on the Central Basin.

Director Lara also raised concerns about the PFAS remediation, particularly the requirement for participants to sign an agreement waiving their right to sue in the future. He noted that Orange County (OC) had similar PFAS issues, but their operations and maintenance (O&M) were fully funded. He argued that cities should receive a long-term commitment for O&M funding, as residents were unfairly burdened with an annual \$500,000 cost despite not contributing to the pollution. Mr. Tucker explained that OC was able to support its program by raising assessments, to which Director Lara responded that he would prefer an increase in RA to help cover O&M costs. Mr. Tucker emphasized that WRDSC operates as a collective and can only implement changes if the pumping community agrees to higher RA fees.

The discussion then shifted to concerns about representation within WRDSC. Director Rogers questioned why a temporary solution was put in place, pointing out that WRD altered the process after not liking the election results. Director Valencia suggested that having clear guidelines on BAC functions would be helpful. Mr. Tucker explained that WRD faced recruitment challenges in the past, and the new rules ensure equal representation from both the West Coast and Central Basin. However, SEWC directors expressed skepticism, with Director Martinez questioning the fairness of the current structure and asking why WRDSC and SEWC had different perspectives on what was equitable.

Mr. Nguyen clarified that after the election, there was still representation from the West Coast Basin, and he questioned the justification for increasing BAC membership from seven to thirteen. He emphasized that although the division between the West Coast and Central Basin is not visible, it is still significant. Mr. Nguyen and Mr. Cason called for a more transparent and fair process, with Mr. Nguyen stressing that genuine collaboration requires honesty and trust. Mr. Tucker acknowledged that small and medium pumpers lacked representation and

reiterated that BAC's role is only to make budget recommendations, not to approve budgets.

The conversation continued with Director Rogers highlighting that changing election outcomes undermines trust in WRDSC's decision-making. Director Avalos also voiced concerns that altering election results was unfair. Mr. Cason, who was actively involved in BAC recruitment, argued that if West Coast Basin members wanted better representation, they should have done the groundwork to elect their representatives. He and Mr. Nguyen ultimately sought clear answers from WRDSC.

As the meeting concluded, Director Valencia summarized SEWC's concerns and urged WRDSC to address them to maintain trust. She requested that WRDSC establish formal guidelines to prevent future frustrations and noted that SEWC cities look forward to further updates. Director Avalos reaffirmed the responsibility of serving the community and asked about the South Gate representative, to which it was confirmed that Director Calderon holds that position.

ITEM 7 – BOARD OF DIRECTORS COMMENTS

General comments were made by Board Members concluding with wishing everyone a Happy Valentines Day.

ITEM 8 – ADMINISTRATIVE ENTITY CHAIR/LEAD AGENCY COMMENTS

None.

ITEM 9 - ADJOURNMENT

The meeting adjourned at 8:58 p.m.

The next regular Southeast Water Coalition Board Meeting will be on April 3, 2025 at 7:00 p.m. at the Norwalk Arts & Sports Complex, Sproul Room, 13000 Clarkdale Avenue, Norwalk CA 90650.

Ana Valencia, Chair

Date



SOUTHEAST WATER COALITION
WARRANT REGISTER JULY 2024 - MARCH 2025

<u>Check No.</u>	<u>Check Amount</u>	<u>Date</u>	<u>Vendor Name</u>	<u>Transaction Description</u>
197309	4,540.00	8/29/2024	KOA CONSULTING INC	PROFESSIONAL SVCS/JUL 2024
197648	4,540.00	9/19/2024	KOA CONSULTING INC	PROFESSIONAL SVCS/AUG 2024
197996	4,540.00	10/10/2024	KOA CONSULTING INC	PROFESSIONAL SVCS/SEP 2024
198720	4,540.00	11/19/2024	KOA CONSULTING INC	PROFESSIONAL SVCS/OCT 2024
199461	4,540.00	1/2/2025	KOA CONSULTING INC	PROFESSIONAL SVCS/NOV 2024
199869	300.00	1/28/2025	TODD ROGERS	BOARD MEMBER STIPEN/AUG & DEC
199893	4,540.00	1/28/2025	KOA CONSULTING INC	PROFESSIONAL SVCS/DEC 2024
200061	150.00	2/11/2025	TODD ROGERS	BRD MBR STIP/02-06-25
200429	4,540.00	2/27/2025	KOA CONSULTING INC	PROFESSIONAL SVCS/JAN
	32,230.00			

<u>EFT</u>	<u>EFT Amount</u>	<u>Date</u>	<u>Vendor Name</u>	<u>Transaction Description</u>
V19029	716.50	8/29/2024	RICHARDS WATSON AND GERSHON INC	LEGAL SERVICES/JUL 2024
V19071	1,035.14	9/19/2024	RICHARDS WATSON AND GERSHON INC	LEGAL SERVICES/AUG 2024
V19292	1,035.14	10/10/2024	RICHARDS WATSON AND GERSHON INC	LEGAL SERVICES/SEP 2024
V19814	595.00	1/2/2025	RICHARDS WATSON AND GERSHON INC	LEGAL SERVICES
V20105	300.00	1/28/2025	ANA M VALENCIA	BOARD MEMBER STIPEN/AUG & DEC
V20106	300.00	1/28/2025	MARIA DEL PILAR AVALOS	BOARD MEMBER STIPEN/AUG & DEC
V20107	150.00	1/28/2025	MARIA ISABEL AGUAYO	BOARD MEMBER STIPEN/DEC
V20108	150.00	1/28/2025	MARIO TRUJILLO	BOARD MEMBER STIPEN/AUG
V20109	150.00	1/28/2025	MELISSA ANNA YBARRA	BOARD MEMBER STIPEN/DEC
V20110	300.00	1/28/2025	OCTAVIO CESAR MARTINEZ	BOARD MEMBER STIPEN/AUG & DEC
V20111	300.00	1/28/2025	CHUONG V VO	BOARD MEMBER STIPEN/AUG & DEC
V20146	150.00	2/11/2025	ANA M VALENCIA	BRD MBR STIP/02-06-25
V20147	150.00	2/11/2025	MARIA DEL PILAR AVALOS	BRD MBR STIP/02-06-25
V20148	150.00	2/11/2025	MELISSA ANNA YBARRA	BRD MBR STIP/02-06-25
V20149	150.00	2/11/2025	OCTAVIO CESAR MARTINEZ	BRD MBR STIP/02-06-25
V20160	2,352.53	2/11/2025	RICHARDS WATSON AND GERSHON INC	LEGAL SVCS/DEC 2024
V20640	442.00	3/25/2025	RICHARDS WATSON AND GERSHON INC	LEGAL SVCS/JAN 2025
	8,426.31			

Total 40,656.31



April 3, 2025

SOUTHEAST WATER COALITION

Rob Beste
Assistant General Manager
Water Replenishment District



SECURING OUR WATER FUTURE TODAY

WRD SERVICE AREA



- 43 Cities in Southern L.A. County
- 420 Square Miles
- 4 Million People
- Over 10% of California's Population
- Second Largest Water District by Population in California
- Groundwater Makes up Nearly 50% of the Region's Water Demand
- 450,000 Acre-Feet (150 Billion Gallons) of Useable Groundwater Storage

WRD MANAGES GROUNDWATER THROUGH MULTIPLE ROLES



Replenishment



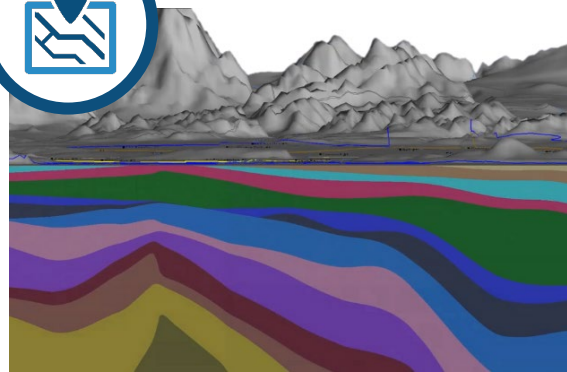
Monitoring



Cleanup



Water Recycling



Basin Modeling



Regional Watermaster

WRD FACILITIES

Albert Robles Center for Water Recycling & Environmental Learning



WRD's Albert Robles Center purifies 14 million gallons of water per day, providing a locally sustainable water supply for groundwater replenishment while bolstering drought-resiliency.

Leo J. Vander Lans Advanced Water Treatment Facility



The Leo J. Vander Lans Facility purifies 8 million gallons of water per day for use in coastal injection wells, preventing seawater intrusion and providing supplemental groundwater replenishment.

Robert W. Goldsworthy Groundwater Desalter



The Goldsworthy Desalter uses reverse osmosis to treat 5 million gallons of brackish (salty) groundwater that is trapped inland due to historical seawater intrusion.

2025 California Congressional Districts

- Disadvantaged Communities (DAC) Projects
- Safe Drinking Water Program (SDWP) Wells
- Production Well with PFOA or PFOS concentration greater than the "None Detected" Level
- Monitoring Well with PFOA or PFOS concentration greater than the "None Detected" Level
- WRD Monitoring Well
- Active Production Wells
- WRD Facilities
- Seawater Intrusion Barrier
- Central Basin Sub-area Boundary
- Newport Inglewood Uplift
- WRD Service Area Boundary

WRD SDWP - Completed			
Project Type	Project Number	Groundwater Producer	City
SDWP	1	City of Pico Rivera	Pico Rivera
SDWP	2	California Water Service Company	Commerce
SDWP	6	Maywood Mutual Water No. 2	Maywood
SDWP	7	City of Huntington Park	Huntington Park
SDWP	9	City of Commerce	Commerce
SDWP	11	Golden State Water Company	Los Angeles
SDWP	14	City of Huntington Park	Huntington Park
SDWP	15	Golden State Water Company	Bell Gardens
SDWP	16	Golden State Water Company	Bell Gardens
SDWP	19	Golden State Water Company	Bell
SDWP	23	City of South Gate	South Gate
SDWP	24	Golden State Water Company	Norwalk
SDWP	28	Golden State Water Company	Paramount
SDWP	29	Golden State Water Company	Norwalk
SDWP	30	Golden State Water Company	Norwalk
SDWP	31	Golden State Water Company	Norwalk
SDWP	32	Golden State Water Company	Norwalk
SDWP	34	City of Paramount	Paramount
SDWP	35	City of Signal Hill	Signal Hill
SDWP	36	City of Signal Hill	Signal Hill
SDWP	37	City of Lakewood	Lakewood

WRD SDWP - Under Construction			
SDWP	3	California American Water	Los Angeles
SDWP	4	California American Water	Los Angeles
SDWP	13	City of Huntington Park	Huntington Park
SDWP	25	City of Lynwood	Lynwood
SDWP	38	Lomita, City of Water System	Lomita

WRD SDWP - DAC Pilot Project Participants			
DAC	5	Maywood Mutual Water No. 2	Maywood
DAC	8	City of Huntington Park	Huntington Park
DAC	10	Maywood Mutual Water No. 1	Maywood
DAC	12	Maywood Mutual Water No. 3	Maywood
DAC	17	Bell Gardens, City of	Bell Gardens
DAC	18	Tract 349 Mutual Water	Cudahy
DAC	20	Walnut Park Mutual Water	Walnut Park
DAC	21	Tract 180 Mutual Water	Cudahy
DAC	22	Tract 349 Mutual Water	Cudahy
DAC	26	Lynwood, City of	Lynwood
DAC	27	Compton, City of	Compton
DAC	33	Satwa LA County Water District	Willowbrook



WRD FUNDING ASSISTANCE PROGRAMS



Wellhead Treatment

- WRD partners with water providers to remove natural or human-made groundwater contaminants (such as PFAS) through the design and installation of selected wellhead treatments



Grants & Loans

- Financial constraints can make treatment prohibitive.
- Millions of dollars in financial assistance through the District's SDWP has made project implementation more feasible



Assistance Applying for Funding

- SDWP Disadvantaged Communities (DAC) Outreach Assistance Program helps water systems in underserved areas with applying for State funding
- Millions of dollars in funding secured to date

PFAS REMEDIATION PROGRAM



Established: August of 2020



Purpose: implement remediation projects quickly to prevent the closure of wells and avert the spread of PFAS contamination



Budget: \$61 Million



Funding: Capital costs only (no operations and maintenance)



Ribbon cutting for new PFAS treatment project in Pico Rivera



FY 2026 REPLENISHMENT ASSESSMENT DISCUSSION

SECURING OUR WATER FUTURE TODAY

FY 2026 BUDGET ADVISORY COMMITTEE SUMMARY

- Budget Advisory Committee (BAC) held three meetings to discuss proposed budget and associated replenishment assessment on February 25, 2025, March 4, 2025, and March 11, 2025.
- BAC recommended (by vote) the following:
 - Use total pumping estimate of 211,000 AF.
 - Reduce water purchase estimate to \$38M.
 - Based on the estimates presented at the meeting the RA was calculated at 0.9%
- BAC also discussed separating the Water Purchase Carryover and Rate Stabilization Reserve Fund

BUDGETING FOR WATER PURCHASES – VOLUME ESTIMATE

RE: Barrier Demand Projections for 2025-2026



Adam Lee <AWLEE@dpw.lacounty.gov>

To ● Brian Partington

Cc ○ Eric Batman; ● Everett Ferguson; ○ Paul Boice

 You replied to this message on 12/19/2024 9:52 AM.

 Reply  Reply All  Forward 

Thu 12/19/2024 8:01 AM

Hello Brian,

Please see below our estimates for the volume of injection water needed to operate the seawater barriers in FY 25-26.

- **ABP**: 8,000 AF (WRD: 4,800 AF, OC: 3,200 AF)
- **DGBP**: 9,000 AF
- **WCBBP**: 18,000 AF

Please let us know if you have any questions. Thank you

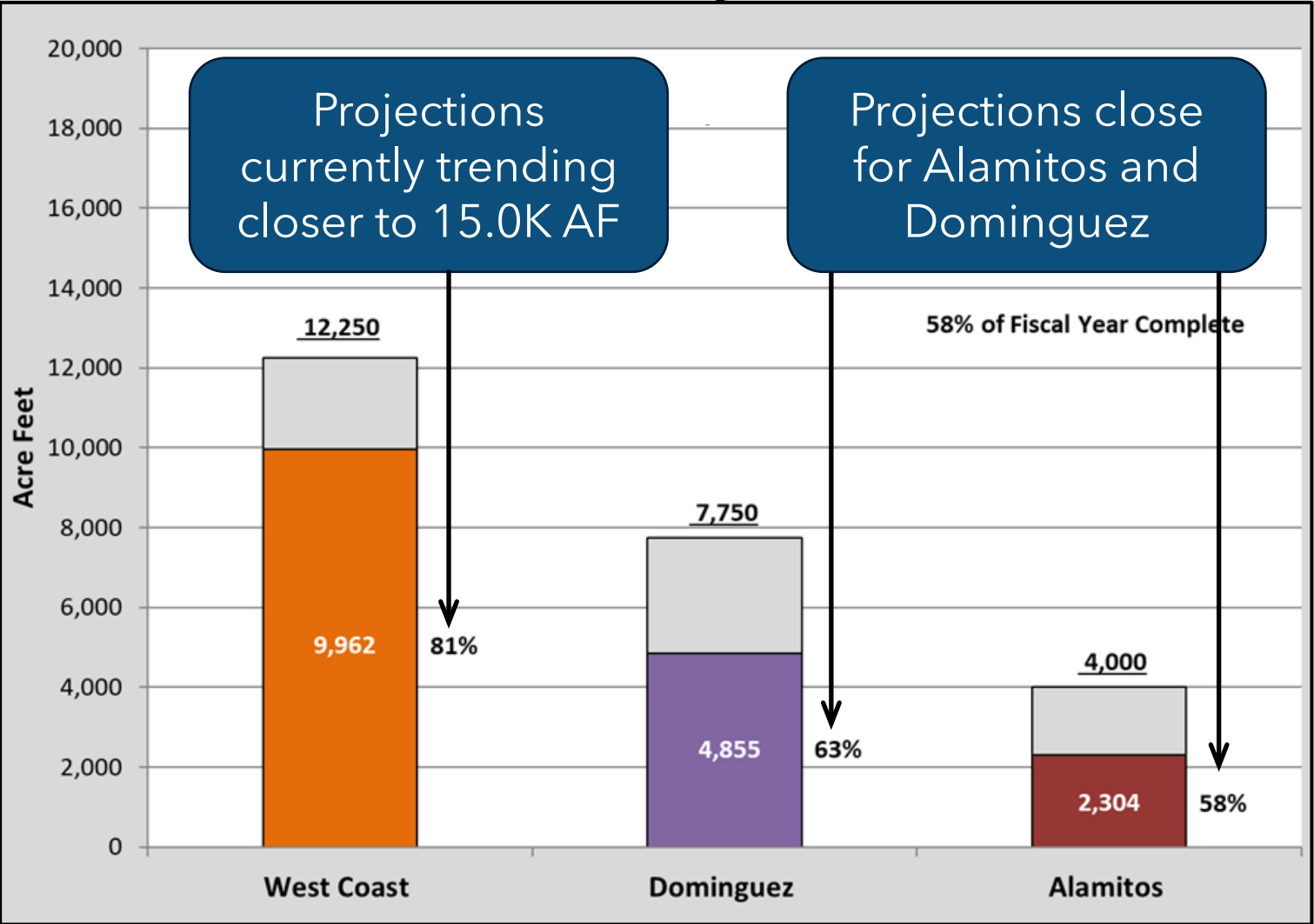
Adam Lee, P.E.
Civil Engineer
Los Angeles County Public Works
626.458.6185
awlee@dpw.lacounty.gov

WRD 2025 ESR:

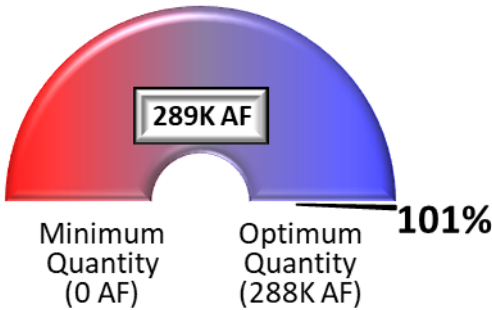
- ABP – 3,800 AF
- DGBP – 7,200 AF
- WCBBP – 14,400 AF

BUDGETING FOR WATER PURCHASES - EXAMPLE FLUCTUATIONS

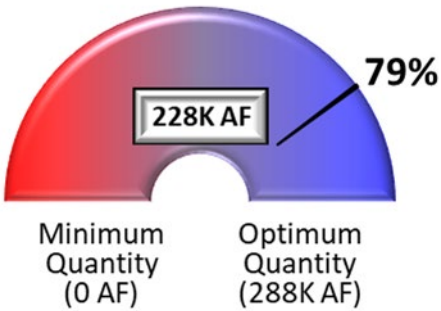
Seawater Barriers
(thru January 2025)



Groundwater Basin
Operating Range



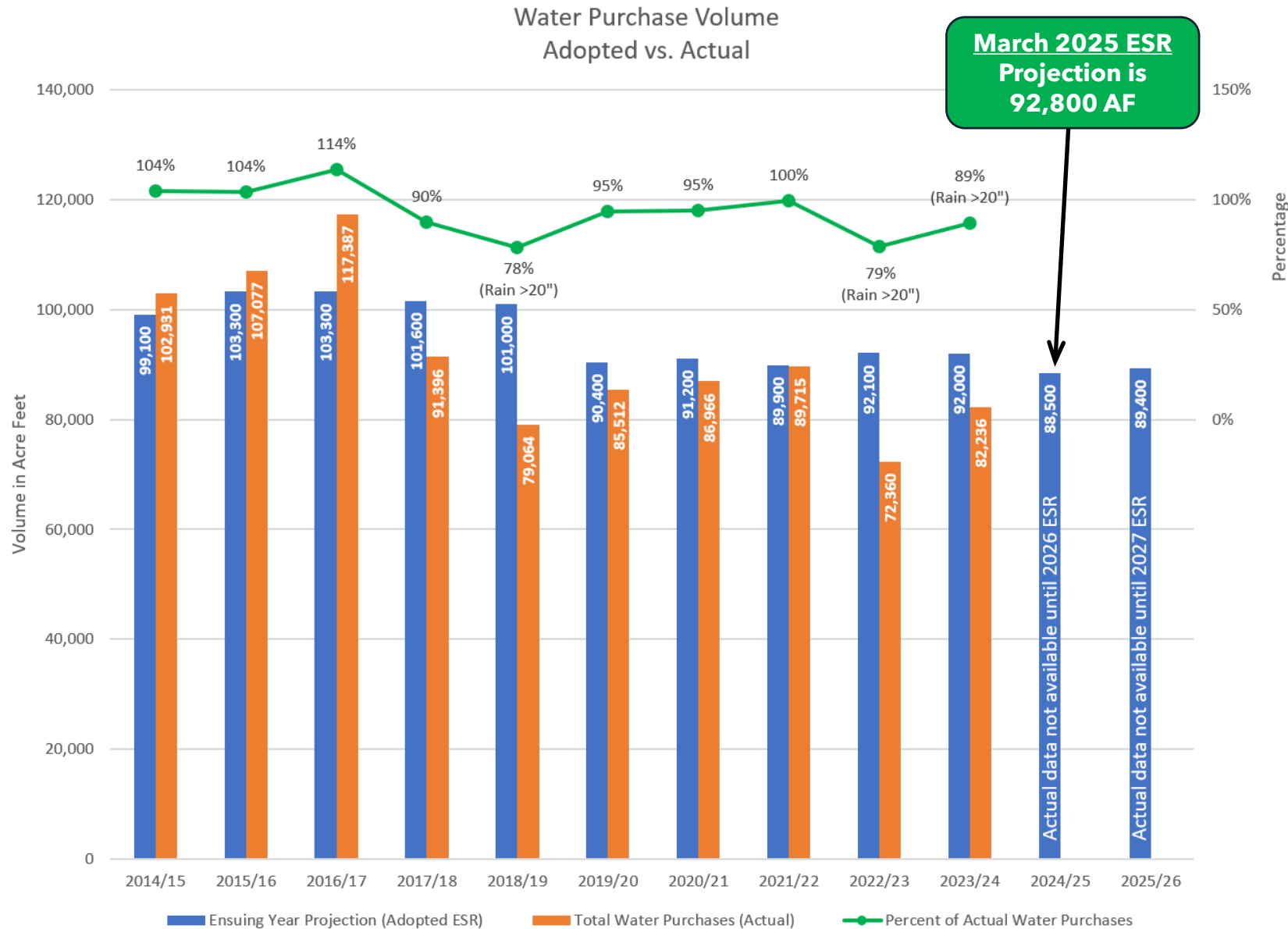
Start of Water Year
(October 2024)



Current Value
(January 2025)

In five months, quantity decreased 61K AF

BUDGETING FOR WATER PURCHASES - VOLUME ESTIMATE



How close were our
projections the past
10 Years?

WRD's projections
were within 95%.

When excluding
record rainfall years
(>20") we were 100%.

QUANTITY AND COST OF REPLENISHMENT (EST. FOR 2025 ESR)

Cost Projection in 2025 ESR (Ensuing Year 25/26)

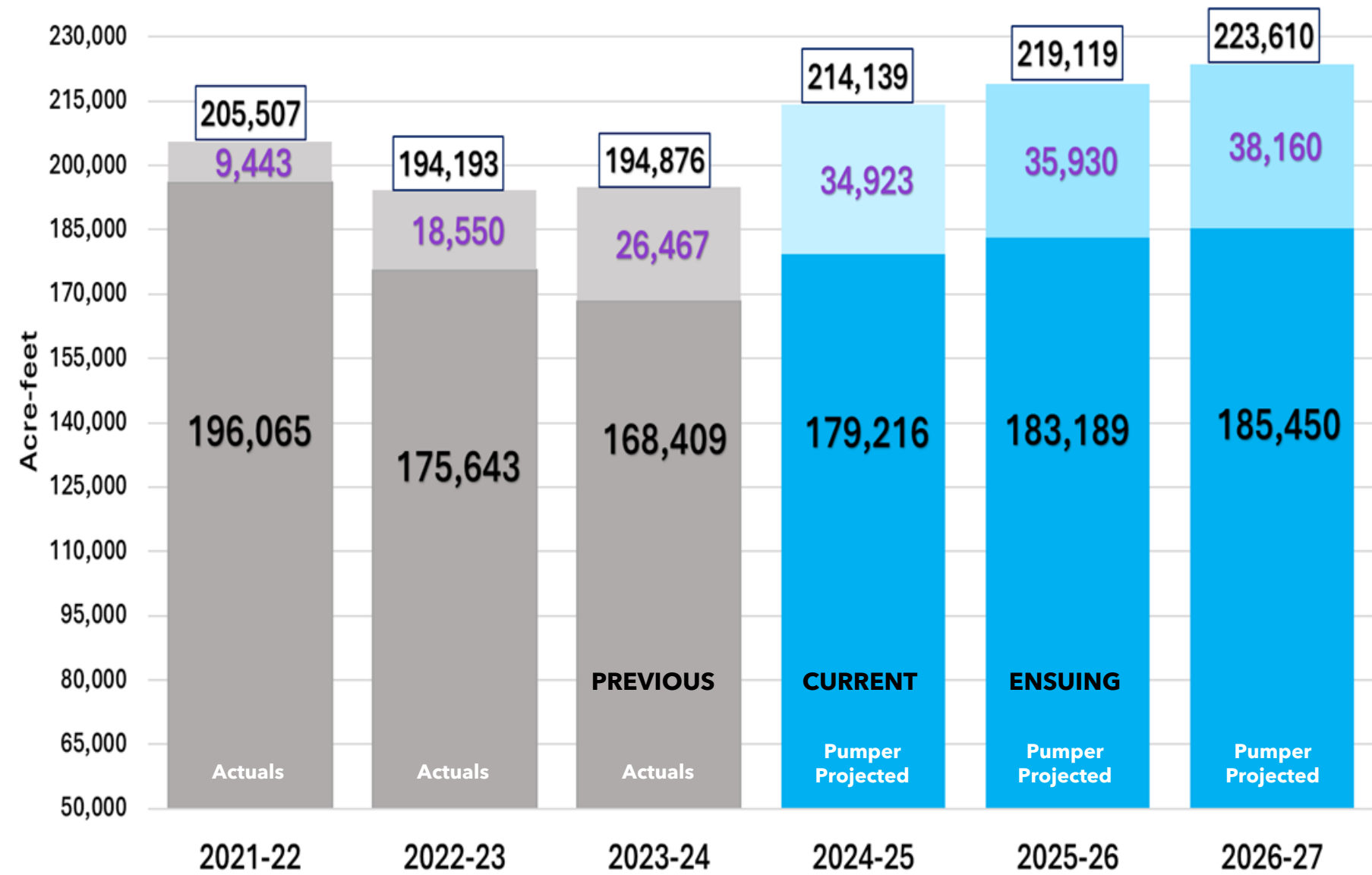
Detailed Breakout of Water Costs and Surcharges to WRD						
Water	Spreading	64,000				\$ 6,837,000
	Alamitos Barrier Water*	3,800				\$ 1,794,000
	Dominguez Barrier Water	7,200				\$ 10,109,500
	West Coast Barrier Water	14,400				\$ 19,507,200
	In-Lieu	0				\$ -
Water Subtotal		89,400				\$ 38,247,700
Surcharges	CBMWD Agency Fees					\$ 74,400
	LBWD Agency Fees					\$ 208,867
	WBMWD Agency Fees					\$ 1,928,524
Agency Fees Subtotal						\$ 2,211,791
TOTAL		89,400		\$		40,459,491

- Includes new water rate for LACSD.
- This year's est. is higher by ~\$5M.
- Increase associated with water rates (i.e., surcharges and MWD).
- Volume increased by 900 AF.

Cost Comparison (24-25 vs. 25-26)

Location / Type	24-25 (\$/AF)	25-26 (\$/AF)
Spreading Grounds		
Import - None planned, last purchased in 2019		
Recycled: LACSD/CBMWD	\$121	\$130
Alamitos Barrier Water		
Import: LBUD	\$1,464	\$1,669
Recycled - Cost included in Facility Operations		
Dominguez Barrier Water		
Import: WBMWD	\$1,672	\$2,428
Recycled: LADWP	\$1,286	\$1,376
West Coast Barrier Water		
Import: WBMWD	\$1,275	\$1,434
Recycled: WBMWD	\$1,298	\$1,343

TOTAL PRODUCTION TRENDS (ACTUALS + PROJECTIONS)



FY '25 APPROVED AND FY '26 PROPOSED BUDGET COMPARISON

[Dollars in Millions]	FY 2025	FY 2026	
Expense	Approved Budget	Proposed Budget	Variance
Water Purchases	\$ 35.5	\$ 40.5	\$ 5.0
Water Treatment and Production	19.6	19.1	(0.5)
Water Resources	3.6	3.5	(0.1)
Water Quality Programs	11.4	5.0	(6.4)
Water Replenishment Support	4.2	4.5	0.4
General and Administrative	6.1	6.0	(0.1)
Other Special Programs and Supportive Costs	4.9	5.3	0.5
Debt Service & Other Non-Operating Costs	20.3	21.6	1.4
Total Expense	\$ 105.6	\$ 105.6	\$ 0.0
Revenue	Approved Budget	Proposed Budget	Variance
Leo J. Vander Lans Advanced Water Treatment Facility	\$ 2.6	\$ 3.7	\$ 1.2
Robert W. Goldsworthy Desalter	3.4	2.2	(1.2)
Albert Robles Center for Water Recycling	0.6	0.6	-
Water Quality Improvement (Title 22)	0.4	0.4	0.1
RA revenue allocated to PFAS	-	-	-
Safe Drinking Water Reimbursements	3.1	-	(3.1)
Other Revenue and Expense	3.3	3.3	(0.1)
Carryover Conversion	13.5	13.5	0.0
Total Revenue	\$ 26.9	\$ 23.8	\$ (3.1)
Cost to Provide Service	\$ 78.7	\$ 81.8	\$ 3.1

- The FY 2026 Cost to Provide Service increased \$3.1M from FY 2025.
- Water Purchases have increased by \$5M from the FY 2025 to the FY 2026 proposed budget.
- The increase in Water Purchases is due to higher rates and volumes of recycled water purchased for the West Coast Barrier.
- Total Revenue has decreased by \$3.1M which accounts for the total increase in the Cost of Service.
- Water Quality Program budget reductions offset increases in Water Purchases.

PROJECTED FY 2025-26 REPLENISHMENT ASSESSMENT

Replenishment Assessment	FY 2026
Pumping Estimate (Acre-Feet)	180,000
Current Replenishment Assessment	437
Estimated Replenishment Assessment	455
Dollar Increase	18
% Increase	4.0%

QUESTIONS?

ROB BESTE
Rbeste@wrd.org

BOARD OF DIRECTORS



Joy
Langford
Division 1



Robert
Katherman
Division 2



John
D. S. Allen
Division 3



Sergio
Calderon
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DeWitt
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Stephan
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SECURING OUR WATER FUTURE TODAY



**SOUTHEAST WATER COALITION
JOINT POWERS AUTHORITY
AGENDA REPORT**

Date: April 3, 2025
To: Southeast Water Coalition Governing Board
From: Jacqueline Koontz, Lead Agency Staff – City of Norwalk
Submitted By: Derek Nguyen, Ph.D., P.E. – AE Member, City of Lakewood (Draft Letter)
Kyle Cason, AE Member, City of Whittier (Draft Letter)

Subject: DISCUSSION/ACTION REGARDING CONCERNS ON WRD’S BUDGET-RELATED ACTIVITIES

Background: The Water Replenishment District (WRD) Budget Advisory Committee (BAC), which has been reviewing WRD’s budget since 2018, recently elected three new members. The BAC plays an important role in shaping the WRD's priorities that impact SEWC cities. Post election, and despite a public promise to maintain it, WRD expressed intentions to restructure the BAC. With approval by the WRD Board on November 19, 2024, the BAC was transitioned to a new structure. WRD acknowledged the results of the current BAC election and modified the composition of the BAC to include six additional members from the west coast basin for the 2024-2025 fiscal year. The new formation and structure of the BAC has caused concerns with SEWC AE Members. In response, at the December 5, 2024 Board Meeting, the SEWC Board Members voted to send WRD a letter to express SEWC concerns. A letter was sent to WRD on December 19, 2024.

During the February 6, 2025 Board meeting, WRD representatives in attendance participated in an in-person discussion with SEWC Board members addressing concerns outlined in the letter sent by SEWC. The following day on February 7, 2025, WRD emailed a letter addressed to the attention of the SEWC Board Chair.

The purpose of this agenda item is to update the Board on recent discussions and actions of the BAC, and to review and discuss a draft letter submitted by AE Members. More specifically, the SEWC AE recommends that the SEWC Board send a letter addressing three crucial concerns. They are: 1) Restoration of the BAC to its original intended role; 2) Support the BAC’s recommendation of a 0.9% rate increase instead of WRD’s proposed 4% increase; and 3) Address the excessive growth of reserves which has climbed from \$93M to \$109M in a single year.

Recommendation: Approve and send letter to WRD regarding crucial concerns about WRD-budget related activities.

Attachments:

1. February 7, 2025 WRD Letter
2. Draft Letter to WRD



DIRECTORS
 JOY LANGFORD, PRESIDENT
 VERA ROBLES DEWITT, VICE PRESIDENT
 SERGIO CALDERON, SECRETARY
 ROB KATHERMAN, TREASURER
 JOHN D. S. ALLEN, DIRECTOR

STEPHAN TUCKER, MBA, PE, PMP, GENERAL MANAGER

February 7, 2025

Attention: Ana Valencia, SEWC Chair and Councilmember, City of Norwalk
 Southeast Water Coalition
 Sent via Email: avalencia@norwalkca.gov

RE: Budget Advisory Committee (BAC) for FY2026 Budget Process

Dear Chair Valencia:

Thank you for your letter received on January 13, 2025, regarding the Water Replenishment District's (WRD) Budget Advisory Committee (BAC). As you know, WRD is tasked with managing groundwater in the West Coast and Central Groundwater Basins. Groundwater from these basins provides nearly half of the water used in southern Los Angeles County.

WRD's service area includes 43 cities and nearly 4 million people over 420 square miles. WRD's stakeholders include pumping cities, water districts, and private corporations. Through innovative planning and partnerships with our pumpers and all levels of government, WRD has developed a climate-resilient and sustainable groundwater replenishment source for those we serve.

The BAC was originally mandated by legislation enacted in 2018. The law created a seven-member pumper-selected Budget Advisory Committee to review WRD's budget, replenishment assessment, finances, and reserves and make recommendations to the WRD board. That law expired in 2020. In the spirit of transparency and accountability with the pumper community, the WRD Board of Directors voted to keep the BAC. It is important to note that the BAC is advisory and has no legal authority to set rates. Per the California Water Code, that authority lies with the WRD Board of Directors, who are elected every four years by residents in five divisions.

For several years, WRD has worked with the BAC to advise and comment on setting the replenishment assessment with great success. Through this partnership, we have been able to keep rates low with modest increases when needed while developing innovative projects that have reduced our reliance on costly imported water, helped cities and other stakeholders deliver clean and safe water to their customers, and protect our groundwater basin from seawater intrusion along the coast.

Throughout its tenure, a hallmark of the BAC was representation from both the Central and West Coast Basins as well as small, medium, and large pumpers. This helped ensure that all entities had a seat at the table, allowing them to advocate for the needs of their communities. Last year, however, the election was dominated by stakeholders in the Central Basin, causing an imbalance in representation.

In your letter, you assert that this decision was made without further discussion with Central Basin Pumpers. Respectfully, I would like to inform you that our Board considered the issue at a publicly noticed board meeting that was open to stakeholders and the public. During this meeting, we heard concerns from both sides of the issue and the Board voted to create an ad hoc committee to develop a plan of action. This led to a 2nd public meeting where we adopted a resolution to temporarily change the structure of the BAC to ensure representation from both basins without disenfranchising those who were elected to serve on the BAC. This resolution amended the district's administrative code to change the structure of the BAC to allow for representation from both basins. I would like to emphasize, as we did during the adoption process, that this solution is temporary and will be reconsidered after this year's budget and rate-setting process.

It is important to note that issues that arise in WRD's service area are not considered as Central Basin versus West Basin issues. WRD's goal is to maximize the amount of groundwater used throughout the region. As such, groundwater cleanup projects that are funded in cities like Norwalk and Vernon benefit all pumpers by allowing those entities to pump more water, while seawater intrusion barrier projects along the coast benefit all pumpers by protecting our resources and allowing those pumpers to use more groundwater. Increasing the ability of pumpers to fully utilize their groundwater pumping rights keeps rates low for everyone: big or small pumper, city or water district, West Coast Basin, or Central Basin.

Thank you for your concern and interest in WRD's BAC and rate-setting process. We would welcome the opportunity for a meeting to discuss these issues further and provide an update on WRD's projects and programs that not only provide safe, clean, and sustainable water for your residents and businesses but also provide free education programs and workforce development opportunities.

We look forward to meeting with you.

Sincerely,



Joy Langford
Board President
Water Replenishment District

Cc:

Chuong Vo	SEWC Vice Chair	Mayor Pro-Tem, City of Cerritos
Kevin Lainez	Council Member	City of Commerce
Mario Trujillo	Mayor	City of Downey
Todd Rogers	Mayor	City of Lakewood
Isabel Aguayo	Council Member	City of Paramount
Andrew C. Lara	Mayor	City of Pico Rivera
Joe Angel Zamora	Council Member	City of Santa Fe Springs
Maria del Pilar Avalos	Council Member	City of South Gate
Melissa Ybarra	Mayor Pro Tem	City of Vernon
Octavio Cesar Martinez	Council Member	City of Whittier



Southeast Water Coalition

A joint powers authority to protect the Central Groundwater Basin

April 3, 2025

Joy Langford – Board President
Water Replenishment District
4040 Paramount Blvd.
Lakewood, CA 91201

Subject: Vote of No Confidence – A Call for Change from SEWC to WRD Board of Directors

Dear President Langford and Members of the Board of Directors,

We are writing on behalf of the Southeast Water Coalition to formally express a vote of no confidence in the leadership and decision-making of the Water Replenishment District (WRD) Board of Directors. This stance is driven by the Board's persistent disregard for the concerns raised by eleven city members of the Southeast Water Coalition, its deviation from the original intent of the Budget Advisory Committee (BAC) when it was formed, and its refusal to prioritize affordable water rates for underserved and disadvantaged pumping communities within the WRD service area. Specific examples of these failures—such as the Board's consideration of a 4% rate increase despite the BAC's recommendation of a modest 0.9% increase, and the alarming growth of operating reserves from \$93 million last year to \$109 million today—underscore a troubling pattern of fiscal irresponsibility and neglect.

The Budget Advisory Committee was established to provide transparent, pumpers-driven oversight of the District's financial decisions as previously mandated by State law and adopted internally by WRD Board of Directors as a policy. However, the Board's recent actions to change its policy to reshuffle and reorganize the BAC under the guise of fairness and equity have undermined its purpose, reducing its ability to serve as an effective voice for ratepayers. This restructuring appears designed to sideline the BAC's input, as evidenced by the Board's current contemplation of a 4% water rate increase—a figure drastically higher than the BAC's carefully considered recommendation of just 0.9%. This stark discrepancy highlights a deliberate choice to ignore the BAC's expertise and the needs of the communities it represents.

Compounding this issue is the Board's failure to justify such rate hikes in light of the District's financial position. Unjustified rate hikes lead to over collection of revenues, and with no instrument for the pumpers to have over collected revenues returned to them, the residents in our service area bear the burden of those unjustified rates. For many underserved and disadvantaged pumping communities within the WRD service area, affordable water rates are not a luxury but a necessity. Yet, despite over-collecting revenues and amassing excessive reserves, the Board continues to pursue policies that place an undue burden on these vulnerable populations, prioritizing financial hoarding over public welfare.

¹ SEWC consists of the cities of Commerce, Cerritos, Downey, Lakewood, Norwalk, Paramount, Pico Rivera, Santa Fe Springs, South Gate, Vernon and Whittier.



Southeast Water Coalition

A joint powers authority to protect the Central Groundwater Basin

The Southeast Water Coalition, representing eleven cities, has repeatedly voiced these concerns, only to be met with silence or dismissal. This lack of responsiveness reflects a broader disconnect between the Board and the ratepayers it serves. By ignoring the BAC's prudent recommendations and the Coalition's pleas for fairness, the Board has demonstrated a failure to uphold the principles of equity, accountability, and fiscal restraint that should define its mission.

Given these ongoing issues, we have no confidence in the Board's ability to act in the best interests of the WRD service area which includes SEWC's eleven-member cities. We urge you to reverse course by restoring the Budget Advisory Committee to its original intended role, heeding its recommendation of a 0.9% rate increase rather than the excessive 4% under consideration, and addressing the excessive growth of reserves. The ratepayers deserve leadership that listens, acts responsibly, and ensures water remains affordable for all.

We respectfully request a formal response to this letter, detailing the concrete steps the Board will take to rectify these critical issues. The communities of the WRD service area demand and deserve better.

Sincerely,

Ana Valencia – SEWC Chair
Council Member – City of Norwalk

Cc: Southeast Water Coalition Board Members:
TBD – City of Cerritos
Kevin Lainez – Council Member – City of Commerce
Mario Trujillo – Mayor – City of Downey
Todd Rogers – Mayor – City of Lakewood
Isabel Aguayo – Council Member – City of Paramount
Andrew C. Lara – Mayor – City of Pico Rivera
Joe Angel Zamora – Council Member – City of Santa Fe Springs
Maria del Pilar Avalos – Council Member – City of South Gate
Melissa Ybarra – Mayor Pro Tem – City of Vernon
Octavio Cesar Martinez – Council Member – City of Whittier

¹ SEWC consists of the cities of Commerce, Cerritos, Downey, Lakewood, Norwalk, Paramount, Pico Rivera, Santa Fe Springs, South Gate, Vernon and Whittier.



**SOUTHEAST WATER COALITION
JOINT POWERS AUTHORITY
AGENDA REPORT**

Date: April 3, 2025
To: Southeast Water Coalition Administrative Entity
From: Jacqueline Koontz, Lead Agency Staff – City of Norwalk

Subject: DISCUSSION/ACTION REGARDING PFAS UPDATE

Background:

Recently, the state legislature introduced two bills that are of interest to our members pertaining to PFAS. SB454 (McNerney) would establish a PFAS fund for grants and/or loans. AB794 (Gabriel) would establish emergency regulations to equal federal levels. Additionally, a federal bill HR1267 (Gluesenkamp Perez) was introduced which would exempt certain entities from liability for release of PFAS substances under the Comprehensive Environmental Response, Compensation, and Liability Act (“CERCLA”).

Recommendation: Receive a report from Legal Counsel regarding SB454 (McNerney), AB794 (Gabriel) and HR1267 (Gluesenkamp Perez).

Attachments:

1. Memo Summarizing AB794, SB454 and HR1267.



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 Brea, California 92822-1059
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MEMORANDUM

ATTORNEY WORK PRODUCT

TO: Southeast Water Coalition Policy Board

FROM: Nicholas R. Ghirelli
Arley Titzler

DATE: March 27, 2025

SUBJECT: Summaries of Proposed Legislation—AB-794, SB-454, and HR-1267

I. INTRODUCTION

We have been asked to provide an overview of three currently proposed bills (2 state and 1 federal), representing attempts to address contamination of water supplies with perfluoroalkyl and polyfluoroalkyl substances (“PFAS”), and associated liability for releases of PFAS.

Assembly Bill 794 (“AB-794”) would authorize the State Water Board to issue emergency regulations setting maximum contaminant levels (“MCL”) for primary and secondary drinking water standards and require the State Water Board to adopt an emergency regulation and initiate a primary drinking water standard for PFAS by January 1, 2026.

Senate Bill 454 (“SB-454”) would create the PFAS Mitigation Fund (“Fund”), to be managed by the State Water Board. The Fund’s contents would be used to assist local public entities like water suppliers and wastewater operators in covering the costs of treating PFAS contaminated water to remove the forever chemicals.

House of Representatives Bill 1267 (“HR-1267”) proposes the “Water Systems PFAS Liability Protection Act,” which would exempt certain entities from liability for release of PFAS substances under the Comprehensive Environmental Response, Compensation, and Liability Act (“CERCLA”).

At the end of this overview, the full text of each bill, in its current form, is presented. AB-794 is Appendix A, SB-454 is Appendix B, and HR-1267 is Appendix C.

II. AB-794—California Safe Drinking Water Act: Emergency Regulations.

ATTORNEY WORK PRODUCT

A. PROCEDURAL STATUS

On February 18, 2025, Assembly Member Jesse Gabriel introduced AB-794.

On March 3, 2025, AB-794 was referred to the Assembly Committee on Environmental Safety & Toxic Materials.

On March 21, 2025, AB-794 became eligible to be heard in Committee.

B. SECTION 116365.03 AS CURRENTLY ENACTED

Section 116365.03 is a provision of the California SDWA (Chapter 4 of Part 12 of Division 104 of the California Health and Safety Code, §§ 116270 to 116755), which governs the State Water Board's authority to issue emergency regulations under the California SDWA. As currently enacted, § 116365.03 generally permits the State Water Board to issue emergency regulations that are "not more stringent" and "not materially different in substance and effect" than regulations issued under the Federal SDWA. However, the Water Board may **not** adopt emergency regulations establishing MCLs for primary and secondary drinking water standards.

The State Water Board has the authority to issue emergency regulations pursuant to California Government Code § 11346.1. An "emergency" is defined as "a situation that calls for immediate action to avoid serious harm to the public peace, health, safety, or general welfare."¹ Under Section 11346.1(a)(2), any agency adopting an emergency regulation must give notice—with exception for situations clearly posing a threat of immediate and serious harm—to any person who has filed a request for notice of regulatory action with the agency at least five working days prior to filing the regulation with the Office of Administrative Law. This notice must include: (A) the specific language to be adopted, and (B) a finding of emergency.

The finding of emergency must include information required by Gov. Code § 11346.5(a)(2)–(6), a description of facts showing the need for immediate action, a demonstration by substantial evidence of the need for the proposed regulation, and identification of any technical, theoretical, or empirical study, report, or similar document the agency is relying on.

Under Section 11346.1(e), emergency regulations may only remain in effect for 180 days, unless the agency complies with the provisions of Gov. Code §§ 11346.2 to 11347.3, inclusive, which provide the necessary procedure to engage stakeholders through public notice, discussion, comment, and hearings. Section 11346.1(h) allows extension of this time period no more than twice, each for a period of 90 days.

Subsection (d) of AB-794 would modify the general requirements for adopting an emergency regulation. The subsection would no longer require the State Water Board to describe facts

¹ Gov. Code § 11342.545.

ATTORNEY WORK PRODUCT

showing the need for immediate action. In addition, this subsection would declare that a State Water Board emergency regulation promulgated under the new § 116365.03 is “not subject to review by the Office of Administrative Law and shall remain in effect until revised by the state board or the implementation of a primary drinking water standard.”

C. IMPACT OF ENACTING AB-794

AB-794 proposes to eliminate the prohibition on issuing an emergency regulation containing MCLs. Subsection (a) would allow the State Water Board to issue emergency regulations containing MCLs that are “not more stringent” and “not materially different in substance or effect” than a regulation issued under the Federal SDWA.

Subsection (b) would provide that the State Water Board’s authority to issue an emergency regulation includes the authority to adopt requirements in a federal regulation in effect as of January 19, 2025, regardless of whether that regulation is subsequently repealed or amended to be less stringent. In a press release, Assembly member Gabriel cited as motivation for introducing AB-794, concerns that EPA may weaken or roll back the national drinking water standards for PFAS, set for the first time in 2024.²

Subsection (c) would provide that an emergency regulation *cannot* contain drinking water standards that are less stringent than federal ones. An emergency regulation *may*, however, contain more stringent requirements that are “not materially different in substance and effect” from the requirements of the California SDWA and its implementing regulations.

Subsection (e) would classify emergency regulations as agency actions categorically exempt from environmental review under the California Environmental Quality Act (“CEQA”).³

Subsection (f) would authorize the Office of Environmental Health Hazard Assessment to “initiate proceedings to establish a public health goal” for any contaminant in an emergency regulation without an established public health goal.⁴

Subsection (g) would require the State Water Board, for any contaminant that already has a public health goal,⁵ to “initiate proceedings to establish primary drinking water standards.”⁶ For a contaminant without an established public health goal, the State Water Board would be required to “initiate proceedings to establish a primary drinking water standard as soon as a public health goal is established” under § 116365.03(f).

² <https://a46.asmdc.org/press-releases/20250219-lawmakers-advocates-introduce-legislation-protect-californians-dangerous>

³ See Cal. Code Regs., tit. 14, § 15308.

⁴ See Health & Saf. Code § 116365(c).

⁵ See Health & Saf. Code § 116365(c).

⁶ See Health & Saf. Code § 116365(a).

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Subsection (h) would require the State Water Board, on or before January 1, 2026, to adopt an emergency regulation and “initiate a primary drinking water standard” for PFAS substances (89 Fed. Reg. 32532 (April 26, 2024)),⁷ that is consistent with the California SDWA.

III. SB 454—State Water Resources Control Board: PFAS Mitigation Program

D. PROCEDURAL STATUS

On February 19, 2025, California Senator Jerry McNerney introduced SB-454, which proposes the addition of a Chapter 4.9 (commencing with § 116774.20) to Part 12 of Division 104 of the California Health and Safety Code.

On February 26, 2025, SB-454 was referred to the Senate Committee on Environmental Quality.

On March 11, 2025, SB-454 was scheduled to be heard in committee on April 2, 2025.

On March 24, 2025, SB-454 was amended, read a second time, and re-referred to the Senate Committee on Environmental Quality for further review.

E. CONTENT

SB-454 would add a new chapter—Chapter 4.9. PFAS Mitigation Program (§ 116774.20 to § 116774.28)—to Part 12 of Division 104 of the California Health and Safety Code. The purpose of SB-454 is to help local agencies fund their efforts to clean up PFAS contamination without having to increase costs to ratepayers.⁸

Article 1 would outline the Legislature’s findings, declarations, and intent in enacting Chapter 4.9. Under Section 116774.20(a)(1)–(7), the Legislature would detail the rights of all Californians to safe water and water which does not harm the environment and the State’s intent to uphold or achieve such rights. The Legislature would also detail the ongoing pervasive use of PFAS substances in industrial processes and manufacturing products, as well as the deleterious effects of PFAS contamination, leaving water unsafe and creating cumulative health burdens for California’s communities.

Article 2 would contain the provisions governing creation of the “PFAS Mitigation Fund.” Section 116774.21 would provide all applicable definitions. Notably, PFAS would be defined, for the purposes of Chapter 4.9, as “a class of fluorinated organic chemicals containing at least one fully fluorinated carbon atom.”

⁷ 89 Fed. Reg. 32532 amended 40 C.F.R. § 141.2 to include definitions for various PFAS substances. 89 Fed. Reg. 32532 is available at: <https://www.govinfo.gov/content/pkg/FR-2024-04-26/pdf/2024-07773.pdf>.

⁸ <https://sd05.senate.ca.gov/news/bay-area-legislator-introduces-bill-help-clean-forever-chemicals-water-supply>

ATTORNEY WORK PRODUCT

Section 116774.22(a) would create the PFAS Mitigation Fund (“Fund”) within the State Treasury,⁹ and provide that upon appropriation by the Legislature, the State Water Board would be able to use the Fund to accomplish the objectives of the PFAS Mitigation Program.

Section 116774.22(b) would allow the State Water Board to seek out and accept external funding from nonstate, federal, and private entities, but **would not require contributions from local agencies**. Any acquired external funding would be deposited into a “PFAS Reduction Account” (“Account”) and such funding would be made available continuously, as an appropriation to the State Water Board. However, the bill does not provide for any dedicated funding source into the Fund.

Section 116774.23(a) would allow the State Water Board to expend funding from the Fund “in the form of a grant, loan, or contract.” This section would also allow the State Water Board to use funds appropriated under Chapter 4.9 to assist water suppliers and sewer system providers¹⁰ by covering or reducing their costs incurred in connection with: (1) treating drinking water, including recycled water,¹¹ to meet applicable state advisory levels and federal maximum PFAS contaminant levels; (2) treating wastewater or recycled water, (3) properly disposing of PFAS contamination after treating drinking water, recycled water, or wastewater, and (4) any other costs claimed to be associated with removal of PFAS from drinking water, recycled water, or wastewater.

Section 116774.23(b) would detail a non-exhaustive list of eligible expenditures, including: (1) constructing a new or upgrading an existing treatment facility, (2) monitoring or pilot testing infrastructure for PFAS treatment alternatives, and (3) costs associated with planning, design, and infrastructure for eligible projects.

Section 116774.23(c) would require that the State Water Board allocate no more than 5% of the Fund to administrative costs.

Section 116774.24 would provide that to be eligible for funding, water suppliers and sewer system providers must “include a clear and definite purpose for how the funds will be used to provide benefits to their community related to safe drinking water, recycled water, or treated wastewater.”¹²

⁹ As originally proposed, SB-454 stated that the Fund would be created within the State’s General Fund.

¹⁰ As originally proposed, SB-454 referred to “wastewater operators” instead of “sewer system providers.” As currently proposed, the term “sewer system providers” would have the same meaning as in Water Code § 13288(n).

¹¹ As originally proposed, SB-454 did not include any references to “recycled water.” As currently proposed, the term “recycled water” would have the same meaning as in Water Code § 13050(n).

¹² As originally proposed, SB-454 conditioned funding eligibility on inclusion of “a clear and definite purpose for how the funds will be used to provide a public benefit related to safe drinking water or treated wastewater.”

ATTORNEY WORK PRODUCT

Section 116774.25(a) would require the State Water Board to develop and adopt guidelines implementing Chapter 4.9 on or before July 1, 2027.¹³

Section 116774.25(b) would require the State Water Board to address specific subjects in its guidelines, including: (1) “specific funding criteria for each funding source,” (2) “identification of minimum and maximum grant amounts, based on percentage of the total annual moneys available,” and (3) “opportunities for public comment, where the state board shall solicit stakeholder input” through (A) notifying the public when the draft guidelines are published online and (B) holding at least two public workshops before issuing final guidelines.

Article 3 would detail the interplay between Chapter 4.9, existing laws, and state obligations.

Section 116774.27 would provide that Chapter 4.9 does not function to expand any existing state obligations to provide resources for or require expenditure of additional resources beyond what goes into the Fund.

Section 116774.28 would assert that any public agency’s participation in a funded activity or contribution to the Fund “serves a public purpose and does not constitute a gift of public funds.”¹⁴

IV. HR-1267—Water Systems PFAS Liability Protection Act

A. PROCEDURAL STATUS

On February 12, 2025, Representative Marie Gluesenkamp Perez [D-WA-03] introduced HR-1267, with bipartisan support from Rep. Celeste Maloy [R-UT-02].¹⁵ HR-1267 proposes the “Water Systems PFAS Liability Protection Act,” which would exempt certain public and private water entities from liability for releases of PFAS under CERCLA.

Also on February 12, 2025, HR-1267 was referred to the House Committee on Energy and Commerce and the House Committee on Transportation and Infrastructure, in each case for consideration of the particular provisions of HR-1267 falling under that committee’s jurisdiction.

B. CONTENT

¹³ As originally proposed, SB-454 made the it permissive, not mandatory, for the State Water Board to adopt guidelines for implementing the provisions of Chapter 4.9.

¹⁴ See Cal. Const., art. XVI, § 6.

¹⁵ <https://gluesenkamppez.house.gov/posts/gluesenkamp-peerez-maloy-introduce-bipartisan-legislation-to-shield-southwest-washington-ratepayers-from-pfas-cleanup-costs>

ATTORNEY WORK PRODUCT

HR-1267 would enact the “Water Systems PFAS Liability Protection Act,” a law meant to exempt certain water and wastewater treatment facilities from liability under CERCLA in connection with releases of PFAS.

Subsection 2(a)(1) would define a covered PFAS substance as a “non-polymeric perfluoroalkyl or polyfluoroalkyl substance that contains at least 2 sequential fully fluorinated carbon atoms, excluding gases and volatile liquids, that is a hazardous substance,” as defined by Section 101 of CERCLA.¹⁶

Subsection (2)(a)(3) would define “protected entities” as: (A) public water systems,¹⁷ (B) publicly and privately owned or operated treatment works,¹⁸ (C) municipalities with a stormwater discharge permit,¹⁹ (D) State political subdivisions and special districts acting as wholesale water agencies; and (E) contractors performing activities described in Subsection (c) for any of the entities in (A)–(D).

Subsection (2)(b), the exempting provision, would prohibit recovery by any entity—including the federal, any state, or any tribal government—under CERCLA for costs incurred resulting from a protected entity’s releases of PFAS substances.

Subsection (2)(c) would provide that a protected entity will only be exempt from CERCLA liability if it “transports, treats, disposes of, or arranges for transport, treatment, or disposal of” covered PFAS substances (1) “in a manner consistent with all applicable laws at the time the activity is carried out,” and (2) “during and following the conveyance or treatment of water under Federal or State law,” which includes: (A) “management or disposal of biosolids consistent with” Section 405 of the CWA,²⁰ (B) “discharge of effluent in accordance with” an NPDES permit issued under Section 402 of the CWA,²¹ (C) “release or disposal of water treatment residuals or any other byproduct of drinking water or wastewater treatment activities, such as granulated activated carbon, filter media, and processed waste streams,” or (D) “conveyance or storage of water for the purpose of conserving or reclaiming the water for water supply.”

Section (2)(d) would provide that liability under CERCLA for release of PFAS is still available where a protected entity acts with “gross negligence or willful misconduct in the discharge, disposal, management, conveyance, or storage” of PFAS substances.

¹⁶ Section 101 of CERCLA defines the term “hazardous substance.” 42 U.S.C. § 9601(14).

¹⁷ Section 1401 of the Federal SDWA defines the term “public water system.” 42 U.S.C. § 300f(4).

¹⁸ Section 212 of the Clean Water Act defines the term “treatment works.” 33 U.S.C. § 1292(2)(A)–(B).

¹⁹ Section 402 of the Clean Water Act governs NPDES permits issued for stormwater discharges. 33 U.S.C. § 1342(p).

²⁰ 33 U.S.C. § 1345.

²¹ 33 U.S.C. § 1342.

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HR-1267 was proposed in response to an EPA regulation adopted in 2024, which defined PFAS substances as hazardous substances for the purposes of liability under CERCLA.²² While the EPA declared it would use discretion in enforcing the rule, to primarily target those responsible for PFAS pollution, Rep. Gluesenkamp Perez and other supporters of HR-1267 have stated they do not think this is sufficient action to protect drinking water, wastewater, and stormwater utilities who merely receive PFAS contaminated water.²³ HR-1267 would provide a permanent solution in shielding these entities from CERCLA liability.

²² 89 Fed. Reg. 39124. Available at: <https://www.govinfo.gov/content/pkg/FR-2024-05-08/pdf/2024-08547.pdf>.

²³ <https://gluesenkampperez.house.gov/posts/gluesenkamp-perez-maloy-introduce-bipartisan-legislation-to-shield-southwest-washington-ratepayers-from-pfas-cleanup-costs>

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V. APPENDIX A

*Below is the current text of § 116365.03, annotated with the changes proposed by AB-794 (as of March 27, 2025). Proposed text additions are displayed in **blue italics**; proposed deletions are displayed in **red-strikeout**.*

116365.03.

- (a) The state board may adopt as an emergency regulation, a regulation, ~~except a regulation that establishes maximum contaminant levels for primary and secondary drinking water standards,~~ that is not more stringent than, and is not materially different in substance and effect than, the requirements of a regulation promulgated pursuant to the federal Safe Drinking Water Act (42 U.S.C. Sec. 300f et seq.).
- (b) *The authority of the state board to adopt an emergency regulation under this section includes the authority to adopt requirements of a federal regulation promulgated pursuant to the federal Safe Drinking Water Act that is in effect when the state board adopts the emergency regulation and authority to adopt requirements of a federal regulation that was in effect on January 19, 2025, regardless of whether the requirements were repealed or amended to be less stringent.*
- (c) *An emergency regulation adopted pursuant to this section shall not implement less stringent drinking water standards than the requirements of a federal regulation that was in effect on January 19, 2025, and may include requirements that are more stringent than the requirements of the federal regulation to the extent those more stringent requirements are not materially different in substance and effect from the requirements of this chapter or regulations implementing this chapter.*
- (d) The adoption of a regulation pursuant to this section is an emergency and shall be considered by the Office of Administrative Law as necessary for the immediate preservation of the public peace, health, safety, and general welfare *for purposes of Sections 11346.1 and 11349.6 of the Government Code*. Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, an emergency regulation adopted by the state board pursuant to this section *is hereby exempted from the requirement that it describe facts showing the need for immediate action and* is not subject to review by the Office of Administrative Law and shall remain in effect until revised by the state board *or the implementation of a primary drinking water standard*.
- (e) *The adoption of an emergency regulation pursuant to this section is a Class 8 action, within the meaning of Section 15308 of Title 14 of the California Code of Regulations.*

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- (f) Upon the adoption of an emergency regulation pursuant to subdivision (b), the Office of Environmental Health Hazard Assessment shall initiate proceedings to establish a public health goal pursuant to subdivision (c) of Section 116365 for any contaminant included in the emergency regulation that does not have a public health goal.*
- (g) Upon the adoption of an emergency regulation pursuant to subdivision (b), the state board shall initiate proceedings to establish primary drinking water standards pursuant to subdivision (a) of Section 116365 for all the contaminants included in the emergency regulation that have a public health goal pursuant to subdivision (c) of Section 116365. If a contaminant included in the emergency regulation does not have a public health goal, then the state board shall initiate proceedings to establish a primary drinking water standard as soon as a public health goal is established for the contaminant under paragraph (f).*
- (h) On or before January 1, 2026, the state board shall adopt an emergency regulation and shall initiate a primary drinking water standard for the perfluoroalkyl and polyfluoroalkyl substances covered by page 32532 in Number 82 of Volume 89 of the Federal Register in a manner that is consistent with this chapter.*

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VI. APPENDIX B

Below is the text of SB-454 as currently proposed (as of March 27, 2025), adding Chapter 4.9, "PFAS Mitigation Program," (commencing with Section 116774.20) to Part 12 of Division 104 of the Health and Safety Code.

Article 1. Findings and Declarations

116774.20.

(a) The Legislature finds and declares all of the following:

- (1) Every Californian should enjoy the same degree of protection from environmental and health hazards. No single group of people should bear a disproportionate share of the negative environmental consequences and adverse health impacts arising from industrial, governmental, or commercial operations or policies.
- (2) State law also declares that it is the established policy of the state that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes.
- (3) Perfluoroalkyl and polyfluoroalkyl substances (PFAS) continues to be used in a broad range of industrial processes and in manufacturing products because of their water and stain resistant, nonstick, surfactant, and other properties, including for making packaging, plastic food ware, cleaning products, ski waxes, menstrual products, metal products, propellants, coatings and paints, and much more, despite the growing body of evidence that these chemicals may leach into food, water supplies, and even the human body through exposures.
- (4) Concentrated PFAS contamination in the environment creates cumulative health burdens resulting in communities with greater health risks, such as cancer, reproductive health and fertility effects, and immune system disorders.
- (5) PFAS makes its way into community water supplies and wastewater. Water suppliers and wastewater treatment operators are not responsible for the introduction of PFAS into the environment, yet these local agencies are responsible for treating our water and wastewater.
- (6) Enhancing the long-term sustainability of drinking water systems and wastewater systems for all communities increases our communities' resilience and environmental safety.

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- (7) Funding for the infrastructure to treat PFAS in water supplies, including recycled water, and wastewater systems under this chapter promotes investments for communities, including disadvantaged communities, and important contributions to those communities in adapting to a cleaner climate and environment.
- (b) It is the intent of the Legislature that true environmental justice be brought to our state by addressing PFAS contamination, including the continuing disproportionate environmental burdens in the state and on passive receivers by creating a fund to provide for the treatment of PFAS in water, wastewater, and recycled water.
- (c) It is the intent of the Legislature that the state board, in managing the fund, strive to ensure all regions of the state receive an equitable level of consideration for funding pursuant to this chapter, to the extent practicable.

Article 2. PFAS Mitigation Fund

116774.21. For the purposes of this chapter, the follow definitions apply:

- (a) “Account” means the PFAS Reduction Account established pursuant to Section 116774.22.
- (b) “Fund” means the PFAS Mitigation Fund established pursuant to Section 116774.22.
- (c) “Perfluoroalkyl and polyfluoroalkyl substances” or “PFAS” means a class of fluorinated organic chemicals containing at least one fully fluorinated carbon atom.
- (d) “Recycled water” has the same meaning as defined in subdivision (n) of Section 13050 of the Water Code.
- (e) “Sewer service provider” has the same meaning as defined in subdivision (n) Section 13288 of the Water Code.
- (f) “State board” means the State Water Resources Control Board.
- (g) “Water supplier” means a local public agency or private company supplying or storing water, or a mutual water company.

116774.22.

- (a) The PFAS Mitigation Fund is hereby created in the State Treasury. Upon appropriation by the Legislature, moneys deposited into the fund shall be available for the state board to expend consistent with the purposes of this chapter.

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- (b) The state board may seek out and accept nonstate, federal, and private funds for purposes of this chapter, and those funds shall be deposited into the PFAS Reduction Account, which is hereby created within the PFAS Mitigation Fund. Notwithstanding Section 13340 of the Government Code, moneys in the account shall be continuously appropriated without regard to fiscal years to the state board for purposes of this chapter.

116774.23.

- (a) The state board may expend moneys from the fund and account in the form of a grant, loan, or contract, or to provide technical assistance services to water suppliers and sewer system providers for one or more of the following purposes:
 - (1) Cover or reduce the costs for water suppliers associated with treating drinking water, including recycled water, to meet the applicable state advisory levels and applicable state and federal maximum PFAS contaminant levels.
 - (2) Cover or reduce the costs for sewer system providers associated with treating wastewater or recycled water to reduce or remove PFAS.
 - (3) Cover or reduce the costs for water suppliers or sewer system providers associated with proper disposal of PFAS contamination after treating drinking water supplies, recycled water, or wastewater.
 - (4) Any other costs an applicant claims are associated with the removal of PFAS in drinking water, recycled water, and wastewater.
- (b) Eligible expenditures made pursuant to subdivision (a) shall include, but not be limited to, all of the following:
 - (1) Construction of a new treatment facility or to upgrade an existing treatment facility that addresses PFAS contamination.
 - (2) Infrastructure related to monitoring or pilot testing for PFAS treatment alternatives.
 - (3) The costs associated with planning, design, and infrastructure for eligible projects.
- (c) The state board may expend no more than 5 percent of the total moneys available in the fund for the purposes of administering the fund.

116774.24. In order to be eligible for funds pursuant to this chapter, a water supplier or sewer system provider shall include a clear and definite purpose for how the funds will be used to

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provide benefits to their community related to safe drinking water, recycled water, or treated wastewater.

116774.25.

- (a) On or before July 1, 2027, the state board shall adopt guidelines to implement this chapter.
- (b) The development of the guidelines shall include, but not be limited to, all of the following:
 - (1) Specific funding criteria from each funding source.
 - (2) Identification of minimum and maximum grant amounts, based on percentage of the total annual moneys available.
 - (3) Opportunities for public comment, where the state board shall solicit stakeholder input by doing both of the following:
 - (A) Notify the public when draft guidelines are posted on the state board's internet website.
 - (B) Conduct two public workshops on the draft guidelines to receive and consider public comment prior to finalizing the guidelines.

Article 3. General Provisions

116774.26. Actions taken to implement, interpret, or make specific this chapter are not subject to the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

116774.27. This chapter does not expand any obligation of the state to provide resources for the provisions of this chapter or to require the expenditure of additional resources beyond the amount of moneys deposited in the fund.

116774.28. The Legislature finds and declares that participation in an activity authorized for funding from the fund or a contribution to the fund by a federal, state, or local agency serves a public purpose and does not constitute a gift of public funds within the meaning of Section 6 of Article XVI of the California Constitution.

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VII. APPENDIX C

Below is the text proposed by HR-1267 (as of March 27, 2025).

SECTION 1. Short title.

This Act may be cited as the “Water Systems PFAS Liability Protection Act”.

SECTION. 2. Exemption of water and wastewater treatment facilities from CERCLA liability for releases of PFAS.

(a) Definitions.—In this section:

- (1) COVERED PERFLUOROALKYL OR POLYFLUOROALKYL SUBSTANCE.—The term “covered perfluoroalkyl or polyfluoroalkyl substance” means a non-polymeric perfluoroalkyl or polyfluoroalkyl substance that contains at least 2 sequential fully fluorinated carbon atoms, excluding gases and volatile liquids, that is a hazardous substance (as defined in section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601)).
- (2) INDIAN TRIBE.—The term “Indian Tribe” has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304).
- (3) PROTECTED ENTITY.—The term “protected entity” means—
 - (A) a public water system (as defined in section 1401 of the Safe Drinking Water Act (42 U.S.C. 300f));
 - (B) a publicly or privately owned or operated treatment works (as defined in section 212 of the Federal Water Pollution Control Act (33 U.S.C. 1292));
 - (C) a municipality to which a permit under section 402 of the Federal Water Pollution Control Act (33 U.S.C. 1342) is issued for stormwater discharges;
 - (D) a political subdivision of a State or a special district of a State acting as a wholesale water agency; and
 - (E) a contractor performing the management or disposal activities described in subsection (c) for an entity described in any of subparagraphs (A) through (D).

(b) Exemption.—Subject to subsection (c), no person (including the United States, any State, or an Indian Tribe) may recover costs or damages from a protected entity under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42

ATTORNEY WORK PRODUCT

U.S.C. 9601 et seq.) for costs arising from a release to the environment of a covered perfluoroalkyl or polyfluoroalkyl substance.

(c) Requirements.—Subsection (b) shall only apply if a protected entity transports, treats, disposes of, or arranges for the transport, treatment, or disposal of a covered perfluoroalkyl or polyfluoroalkyl substance—

(1) in a manner consistent with all applicable laws at the time the activity is carried out; and

(2) during and following the conveyance or treatment of water under Federal or State law, including through—

(A) the management or disposal of biosolids consistent with section 405 of the Federal Water Pollution Control Act (33 U.S.C. 1345);

(B) the discharge of effluent in accordance with a permit issued under section 402 of the Federal Water Pollution Control Act (33 U.S.C. 1342);

(C) the release or disposal of water treatment residuals or any other byproduct of drinking water or wastewater treatment activities, such as granulated activated carbon, filter media, and processed waste streams; or

(D) the conveyance or storage of water for the purpose of conserving or reclaiming the water for water supply.

(d) Savings provision.—Nothing in this section precludes liability for damages or costs associated with the release of a covered perfluoroalkyl or polyfluoroalkyl substance by a protected entity if that protected entity acted with gross negligence or willful misconduct in the discharge, disposal, management, conveyance, or storage of the covered perfluoroalkyl or polyfluoroalkyl substance.