



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
August 17, 2021

TOPIC: PFAS Treatment System at Well 38

AGENDA TITLE

Approve an Appropriation Adjustment and Approve the Well 38 PFAS Agreement with the Orange County Water District in the amount of \$6,000,000 for a 30-Year Term for Construction of a Treatment Facility at Well 38 (Project No. 22-6470) (Non-General Fund)

RECOMMENDED ACTION

1. Approve an appropriation adjustment recognizing \$1,000,000 from prior year fund balance in the Public Works Water Revenue, Prior Year Carry Forward revenue account and appropriate the same amount into the Acquisition & Construction, Water Utility Water Capital Projects, Water Capital Project expenditure account.
2. Authorize the City Manager to execute the Well 38 PFAS Agreement with the Orange County Water District for a total cost not to exceed \$6,000,000, for the term beginning upon execution of the agreement and ending 30 years thereafter, subject to non-substantive changes approved by the City Manager and City Attorney.
3. Approve an amendment to the Fiscal Year 2021-22 Capital Improvement Program to include \$1,000,000 in funds for the Well 38 PFAS Treatment Facility Project.

DISCUSSION

The State of California Division of Drinking Water (DDW) has established Response Levels (RLs) for per- and polyfluoroalkyl substances (PFAS) which require that community water systems remove affected drinking water sources from their service. DDW has also established Notification Levels (NLs) which require that community water systems either notify their customers of PFAS detection levels exceeding the NLs, or remove the affected drinking water sources from service. In response, the City's Water Resources Division has removed five wells from its production and distribution system, including Well 38.

The removal of the affected wells creates an increased reliance on more expensive, imported water from Metropolitan Water District of Southern California (MWD). The City pumps roughly 75 percent of the potable water it serves its customers from the Orange County Groundwater Basin (Basin), which is managed by the Orange County Water District (OCWD). The remaining 25 percent of potable water comes from imported

sources via Metropolitan Water District of Southern California. In order to remain in line with this ratio, the City has worked with OCWD in developing treatment facilities which are capable of reducing PFAS concentrations in water pumped from the Basin to below the NLs or future Maximum Contaminant Levels (MCLs).

On May 19, 2020, the City Council authorized the City Manager to execute the PFAS Treatment and Facilities Agreement (Exhibit 1) with OCWD in response to the presence of PFAS in the Basin. The agreement provides for OCWD to design and construct PFAS treatment systems for City wells that have levels at or above 80% of the RL. At the time the Agreement was executed, Well 38 samples exceeded these levels, and met the criteria for a treatment system. Upon subsequent quarterly testing, the interval required by DDW, PFAS concentrations at Well 38 fell below 80% of the RL, the threshold required for a PFAS treatment facility as defined in the terms of the Agreement.

Although the current levels are below the threshold, staff recommends that a PFAS treatment facility be installed at Well 38, and has requested that OCWD continue with the design, procurement and construction management activities, as initially planned per the terms of the Agreement. Should water sampled from Well 38 continue to fall outside the terms of the Agreement, the City will reimburse OCWD for all related costs. However, per the terms of the Well 38 PFAS Agreement (Exhibit 2), if future water samples from Well 38 meet concentration levels stated, OCWD would reimburse the City for design and construction costs paid to OCWD.

Staff recommends approval of an appropriation adjustment, agreement, and amendment to the Fiscal Year 2021-22 Capital Improvement Program to include this project (Exhibit 3).

ENVIRONMENTAL IMPACT

The environmental impact associated with this action is unknown at this time. It is anticipated that this project will be covered by a Categorical Exemption under the California Environmental Quality Act (CEQA).

FISCAL IMPACT

The estimated total design and construction delivery costs of the Well 38 Treatment Facility project are \$6,000,000 (Project No. 22-6470). Approval of the requested Appropriation Adjustment will recognize \$1,000,000 from prior year fund balance in the Public Works Water Revenue, Prior Year Carry Forward revenue account (No. 06017002-50001) and appropriate the same amount into the Acquisition & Construction, Water Utility Water Capital Projects, Water Capital Project expenditure account (No. 06617647-66301) for expenditure in FY 2021-22. The remaining \$5,000,000 will be budgeted in future fiscal years based on the project schedule. Should Well 38 exceed 80% of state Response Levels for two consecutive quarters, OCWD will reimburse the City for costs paid by the City to OCWD for the design and construction of the Well 38 treatment system.

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Any funds reimbursed to the City will be received into the Public Works Water Revenue, Miscellaneous Recoveries revenue account (No. 06017002-57010).

Fiscal Year	Accounting Unit - Account #	Fund Description	Accounting Unit, Account Description	Amount
2021-22	06617647-66301 (22-6470)	Acquisition & Construction	Water Utility Capital Projects, Water Capital Project	\$1,000,000
Total				\$1,000,000

EXHIBIT(S)

1. PFAS Treatment and Facilities Agreement
2. Well 38 PFAS Agreement
3. CIP Worksheet

Submitted By: Nabil Saba, Executive Dir Public Works

Approved By: Kristine Ridge, City Manager