



**City of Santa Ana**  
**20 Civic Center Plaza, Santa Ana, CA 92701**  
**Staff Report**  
**September 19, 2023**

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**TOPIC:** Resolutions for Wells 27 and 28 PFAS Treatment System Funding

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**AGENDA TITLE**

Resolutions Supporting Orange County Water District's Submission of a Grant Application for Wells 27 and 28 PFAS Treatment System Project

**RECOMMENDED ACTION**

1. Adopt a resolution authorizing the Executive Director of the Public Works Agency to submit a financial assistance application for a financing agreement from the State Water Resources Control Board for the planning, design, and construction of the Wells 27 and 28 PFAS Treatment System Project.
2. Adopt a resolution declaring the Wells 27 and 28 PFAS Treatment System Project is categorically exempt from the California Environmental Quality Act pursuant to Section 1503 of California Environmental Quality Act Guidelines.

**DISCUSSION**

The Public Works Agency's Water Resources Division oversees and maintains the daily operations of the City's water and sanitary sewer systems. The water system has an average daily demand of 43 million gallons from its roughly 45,000 service connections. The majority of the City's potable water comes from the Orange County Groundwater Basin (OC Basin) and is pumped through 20 existing City wells. Due to the presence of per- and polyfluoroalkyl substances (PFAS) found in routine well monitoring, several wells in the OC Basin have been taken offline, including the City's Well 27 and Well 28.

On May 19, 2020, City Council approved the PFAS Treatment Facilities and Program Agreement (Exhibit 1) with the Orange County Water District (OCWD). The PFAS Treatment Facilities and Program Agreement (Agreement) calls for OCWD to provide the funding, design, construction, and operation assistance for PFAS treatment facilities for qualifying City of Santa Ana groundwater wells. OCWD and the City have identified Wells 27 and 28 for the construction of PFAS treatment facilities. The total project budget, including construction cost, is estimated to be \$8,000,000. Per the Agreement,

the City of Santa Ana is assisting OCWD to obtain approximately \$4,000,000 in grant funding to help offset the construction costs of the treatment system.

Under the Bipartisan Infrastructure Law (BIL), \$5 billion has been set aside through the Drinking Water State Revolving Fund (DWSRF) Program administered by the State Water Resources Control Board (SWRCB) to reduce people's exposure to PFAS and other emerging contaminants (EC). The SWRCB will provide one hundred percent as principal forgiveness (i.e., a Federal grant) and up to \$5,000,000 for each qualified applicant. Eligible projects include the construction of a new treatment facility that addresses EC/PFAS such as the City of Santa Ana Wells 27 and 28 PFAS Treatment System Project. OCWD is not considered as a qualified applicant for the PFAS grant because OCWD does not own and operate any PFAS-contaminated well in its service area. Therefore, OCWD is requesting assistance from the City of Santa Ana to apply for the PFAS grant. Receiving this grant would minimize future replenishment assessment (i.e., groundwater fees) increases, fees which are passed through to the customer in the City of Santa Ana's water rates.

If the PFAS grant funding agreement were executed, the City of Santa Ana would be the recipient of grant funds as the owner and the operator of the PFAS water treatment systems. OCWD would submit invoice(s) to the City of Santa Ana that total to the grant amount. The City of Santa Ana would need to pay OCWD as "proof of payment" before seeking and receiving grant reimbursement from the SWRCB. The City of Santa Ana would be serving as a "pass through" agency between SWRCB and OCWD, and the net financial impact to the City of Santa Ana would be zero. The SWRCB, the funding agency of PFAS grant, is comfortable and has no issues with the pass through role of the City of Santa Ana.

The City of Santa Ana's adoption of an Authorization Resolution (Exhibit 2) is a requirement of the PFAS grant application and is needed in order for OCWD to execute a grant funding agreement with the State Water Resources Control Board. Additionally, the City must adopt a resolution stating the City of Santa Ana Wells 27 and 28 PFAS Treatment System Project is exempt from California Environmental Quality Act (CEQA) pursuant to Section 15303 of the CEQA guidelines (Exhibit 3). This project is consistent with Categorical Exemption Class 3 of Section 15303 because it consists of the construction and operation of a small treatment plant at a previously disturbed site representing the development of limited numbers of new, small facilities or structures, and it would not result in any significant impacts to the environment.

#### **FISCAL IMPACT**

There is no fiscal impact associated with this action.

**EXHIBIT(S)**

1. PFAS Treatment Facilities and Program Agreement
2. Authorization Resolution
3. CEQA Exemption Resolution

Submitted By: Nabil Saba, P.E., Executive Director - Public Works Agency

Approved By: Kristine Ridge, City Manager