



# Agenda Item

## City Council

---

**Item #:** 3.29.

**6/24/2025**

**File #:** 25-0327

---

**TO:** Honorable Mayor and Members of the City Council

**THRU:** Tom Kisela, City Manager

**FROM:** Christopher Cash, Public Works Director

### **1. SUBJECT**

Adoption of a finding of exemption from the California Environmental Quality Act for the City of Orange Wells 25 and 27 Project. Resolution No. 11617.

### **2. SUMMARY**

In 2019, Orange County Water District, who manages the groundwater basins of north and central Orange County, conducted a study to address the treatment of per- and polyfluoroalkyl substances, as required by the California State Water Resources Control Board Division of Drinking Water. At Wells 25 and 27, water quality sampling indicated elevated levels of these substances with concentrations exceeding the Division of Drinking Water's Response Levels, indicating the need for treatment systems at these sites. The design and construction of treatment system facilities for these well sites are being fully funded by the Orange County Water District. Adoption of Resolution No. 11617 is necessary to support Orange County Water District's effort to apply for available grants to fund the construction costs of the treatment systems at these two wells.

### **3. RECOMMENDED ACTION**

Adopt Resolution No. 11617. A Resolution of the City Council of the City of Orange adopting the exemption from the California Environmental Quality Act (CEQA) for Wells 25 & 27 PFOA and PFOS Treatment Plants Construction and Operation.

### **4. FISCAL IMPACT**

None.

### **5. STRATEGIC PLAN GOALS**

Goal 5: Improve Infrastructure, Mobility, and Technology

### **6. DISCUSSION AND BACKGROUND**

Under the Bipartisan Infrastructure Law, \$5 billion has been set aside through the Drinking Water State Revolving Fund Program administered by the State Water Resources Control Board (SWRCB) for projects that will reduce people's exposure to per- and polyfluoroalkyl (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 in funding for each qualified applicant. Eligible projects include the construction of new treatment facilities that address EC/PFAS, such as the City of Orange Wells

25 and 27 PFAS Treatment Systems Project. Orange County Water District (OCWD) is not considered as a qualified applicant for the PFAS grant because OCWD does not own nor operate any PFAS-contaminated wells in its service area. Therefore, OCWD is requesting assistance from the City of Orange to apply for the PFAS grant.

Per the PFAS Treatment Facilities and Program Agreement, OCWD has financed, in its entirety, the technical feasibility study, design, and construction of the City of Orange Wells 25 and 27 PFAS Treatment Systems Project, which is scheduled to be completed in 2027. The total project budget is approximately \$12,000,000, with construction costs of \$7,600,000. Per the Agreement, the City of Orange is to support and assist OCWD in the pursuit of any PFAS grants that may be used to fund project construction. The receipt of this grant would minimize future replenishment assessment (i.e., groundwater fees) cost increases from OCWD, fees which are passed through to the customer in the City of Orange's water rates.

If the PFAS grant funding agreement were executed, the City would be the recipient of grant funds as the owner and the operator of the PFAS water treatment systems. The City would serve as a "pass through" agency between SWRCB and OCWD, and the net financial impact to the City would be zero. OCWD would submit invoice(s) to the City that total to the grant amount. The City would need to pay OCWD as "proof of payment" before seeking and receiving grant reimbursement from the SWRCB.

The City's adoption of an Authorization Resolution is a requirement of the PFAS grant application and is needed to execute a grant funding agreement with the SWRCB.

## **7. ENVIRONMENTAL REVIEW**

The City of Orange Wells 25 and 27 Project is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15303 of the CEQA Guidelines because it consists of the construction and operation of small treatment plants and associated connection facilities at previously disturbed sites, representing the development of limited numbers of new small facilities and structures intended to improve water quality by removing pollutants from groundwater and would not result in any significant impacts to the environment.

## **8. ATTACHMENTS**

- Resolution No. 11617