



Agenda Item

Orange City Council

Item #: 3.16.

11/12/2025

File #: 25-0608

TO: Honorable Mayor and Members of the City Council

THRU: Jarad Hildenbrand, City Manager

FROM: Christopher Cash, Public Works Director

1. SUBJECT

Authorization for the Director of Public Works to sign and file a financial assistance application for a financing agreement with the California State Water Resources Control Board for the City of Orange Well 29 per- and polyfluoroalkyl substances Treatment System. Resolution No. 11643.

2. SUMMARY

In 2019, the Orange County Water District, who manages the groundwater basins of north and central Orange County, conducted a study to address treatment of per- and polyfluoroalkyl substances as required by the California State Water Resources Control Board, Division of Drinking Water. Continuous water quality sampling of City of Orange wells indicated elevated levels of per- and polyfluoroalkyl substances with concentrations exceeding the Division of Drinking Water's Response Levels at twelve wells which require treatment systems. The design and construction of these treatment systems is being fully funded by the Orange County Water District. To date, four treatment systems have been completed, and those wells have been put back into operation. Adoption of Resolution No. 11643 is necessary to support Orange County Water District's effort in applying for available grants for the construction of the treatment system at Well 29.

3. RECOMMENDED ACTION

Adopt Resolution No. 11643. A Resolution of the City Council of the City of Orange authorizing a representative to sign and file a financial assistance application for a financing and grant agreement with the State Water Resources Control Board for City of Orange Well 29.

4. FISCAL IMPACT

None.

5. STRATEGIC PLAN GOALS

Goal 5: Improve Infrastructure, Mobility, and Technology

6. DISCUSSION AND BACKGROUND

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 per- and polyfluoroalkyl substances (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 Orange Well 29 PFAS Treatment System Project. Orange County Water District (OCWD) is not considered a qualified applicant for the PFAS grant because OCWD does not own or 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 Well 29 PFAS Treatment System Project which is scheduled to be completed in 2028. The total project budget is approximately \$12,000,000, with construction costing \$7,600,000. Also, 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 the project construction. Receiving this grant would minimize future replenishment assessment (i.e., groundwater fees) 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. OCWD would submit invoice(s) to the City of Orange totaling to the grant amount. The City of Orange would need to pay OCWD as "proof of payment" before seeking and receiving grant reimbursement from the SWRCB. The City of Orange would serve as a "pass-through" agency between SWRCB and OCWD, and the net financial impact to the City of Orange would be zero.

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. ATTACHMENTS

- Resolution No. 11643