SENATE COMMITTEE ON ENVIRONMENTAL QUALITY
Senator Blakespear, Chair
2025 - 2026 Regular

Bill No:	SB 1313		
Author:	McNerney		
Version:	2/20/2026	**Hearing Date:**	4/22/2026
Urgency:	No	**Fiscal:**	Yes
Consultant:	Taylor McKie		

SUBJECT: Public water systems: grants and loans: perfluoroalkyl and polyfluoroalkyl substances

DIGEST: This bill authorizes money in the Drinking Water State Revolving Fund (DWSRF) to be eligible for projects that address perfluoroalkyl and polyfluoroalkyl substances (PFAS) in drinking water.

ANALYSIS:

Existing federal law:

1) Authorizes, pursuant to the federal Safe Drinking Water Act (SDWA), the United States Environmental Protection Agency (U.S. EPA) to set standards for drinking water quality and to oversee the states, localities, and water suppliers who implement those standards. (42 United States Code (USC) § 300(f) et seq.)

2) Provides, under federal Drinking Water State Revolving Fund (DWSRF) statute, financial assistance to help water systems and states achieve the health protection objectives of the SDWA. (42 USC § 300j-12, et seq.)

3) Requires funds to be made available to states from the DWSRF for the purpose of addressing emerging contaminants, with a focus on PFAS. (42 USC § 300j-12(a)(2)(G))

4) Establishes a program under which grants are provided to water systems that serve a disadvantaged community, as specified, in carrying out projects and activities to assist water systems in meeting the requirements of the SDWA. (42 USC § 300j-19a)

5) Establishes requirements for specified water systems and maximum contaminant levels for PFAS and its control. (40 Code of Federal Regulations (CFR) § 141.61(c)(2); 40 CFR § 141.900)

Existing state law:

1) Establishes the California SDWA and requires the State Water Board to maintain a drinking water program to protect public health. (Health & Safety Code (HSC) § 116270 et seq.)

2) Establishes as the 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. (Water Code (WC) § 106.3)

3) Establishes the state DWSRF to provide financial assistance for the design and construction of projects for public water systems to meet safe drinking water standards. (HSC §116760, et seq.)

4) Establishes the Emerging Contaminants for Small or Disadvantaged Communities Funding Program to provide grants to address emerging contaminants in small or disadvantaged communities. (WC § 116774)

This bill:

1) Authorizes money in the Safe Drinking Water State Revolving Fund and special accounts to be considered eligible and expended for projects that address PFAS in drinking water, consistent with the federal act.

2) Precludes the state from any additional obligation to provide resources for the provisions under the Safe Drinking Water State Revolving Fund Law of 1997.

3) Authorizes the State Water Board to implement the proposed provisions through its existing process to update its policy handbook.

4) Makes related findings and declarations.

Background

1) *The problem with PFAS.* Per- and polyfluoroalkyl substances (PFAS) are a broad class of man-made chemicals consisting of chains with bonded carbon and fluorine atoms. Because of their physical and chemical nature, PFAS are very durable and resistant to heat, water and oil, making them extremely useful in many industrial, commercial, and medical applications. As a consequence of

their durability, they are persistent, meaning that they do not degrade easily in the environment and can bioaccumulate in living things.[1,2,3]

The PFAS on or in products find many different ways into the environment throughout a product's life cycle. When some products are manufactured, PFAS gets released into the atmosphere and through wastewater. Common household products, such as pots and cleaners, leach PFAS into household wastewater. PFAS can also leach from products at their end-of-life in landfills. PFAS compounds have been detected globally in soil, groundwater, and surface water.

Humans are primarily exposed to PFAS through the consumption of food and water.[4] The drinking water of at least 70 million Americans contains PFAS at levels high enough to require reporting under federal law. California has multiple water systems that contain at least double the reporting concentration level.[5] Exposure to certain types of PFAS may lead to adverse health effects, including reproductive and developmental effects, increased risk of cancer, suppressed immune systems, and endocrine disruption.[6] It has been estimated that the cost associated with the contribution of PFAS exposure to disease and disability in the United States may be between $5.5 billion and $62 billion.[7]

2) *Achieving maximum contaminant level compliance.* The State Water Board implements and enforces the federal and state Safe Drinking Water Act, monitors drinking water quality, and issues permits to public water systems throughout the state. Under the SDWA, the U.S. EPA requires drinking water systems to test and monitor their drinking water and take action if the contamination exceeds the maximum contaminant levels (MCLs). MCLs are based on human exposure limits to harmful chemicals and the extent to which they cause adverse health impacts.[8] The U.S. EPA can establish more stringent MCLs based on further research, which may increase the number of public drinking water systems that exceed an MCL and are considered in a health-based violation under the Safe Drinking Water Act.

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[1] National Institute of Environmental Health Sciences. (2025). Perfluoroalkyl and Polyfluoroalkly Substances.
[2] Henry, B. J., et. al. (2018). A critical review of the application of polymer of low concern.
[3] Jacobs, S. A., et. al. (2024). Assessment of Fluoropolymer Production and Use With Analysis of Alternative Replacement Materials (No. SRNL-STI-2023-00587).
[4] Kibuye, F. (2023). Understanding PFAS – What they are, their impact, and what we can do.
[5] Fast, A. et. al. (2024). 70 million American s drink water from systems reporting PFAS to EPA.
[6] U.S. Environmental Protection Agency. (2024). Our Current Understanding of the Human Health and Environmental Risks of PFAS.
[7] Obsekov, V., et. al. (2023). Leveraging systematic reviews to explore disease burden and costs of per-and polyfluoroalkyl substance exposures in the United States.
[8] U.S. Environmental Protection Agency. (2024). How EPA regulates drinking water contaminants.

In 2024, the U.S. EPA updated the enforceable MCLs for six types of PFAS in drinking water and required drinking water systems to implement solutions to reduce concentrations of PFAS to meet these higher standards by 2029.[9] If a public water system does not resolve the contamination through treatment and comply with the required standards within a period of time, then state agencies can take enforcement actions, including administrative orders, legal actions, or issue fines.[10,11]

3) *How the costs of contamination trickle down.* Part of the burden in addressing PFAS contamination can fall on municipal drinking water systems, especially if the source of contamination is unknown. In 2019, 74 community water systems serving 7.5 million Californians with drinking water were found to have PFAS levels that exceeded levels considered safe by independent research, with at least 40% of systems far exceeding the MCLs established by the U.S. EPA today.[12] Water systems that exceed these MCLs are required to take action, from public notification to sufficient treatment methods to meet the respective water quality standards. As mentioned above, if drinking water systems do not meet the required water quality standards by 2029, they may face enforcement actions. The costs of enforcement could then further inhibit the ability to comply.

   To remove PFAS, treatment technologies such as activated carbon treatment, ion exchange, nanofiltration, or reverse osmosis can be used. Treatment is expensive, and addressing contamination levels could cost on the order of tens of millions of dollars. This financial burden can then be shifted to the public. Because water rates are directly tied to the cost of service, costly updates to infrastructure to treat contamination can be passed down and increase utility rates. The taxpayer may bear the costs as water agencies often seek state and federal funds which may be limited. Some water agencies, such as Orange County Water District and Santa Clarita Valley Water Agency, have joined class action lawsuits against manufacturers of PFAS with hopes of supplementing the costs of treatment with the settlements.[13] However, not all water agencies may have the capacity to litigate and it's not guaranteed that a settlement will cover the full costs. In some cases, if sources of drinking water supply cannot meet MCLs and have no ability to treat the contamination, those systems can be shut down, eliminating access to water supplies.

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[9] U.S. EPA (2025). Final PFAS national primary drinking water regulation.
[10] U.S. Environmental Protection Agency (2024). Safe Drinking Water Act (SDWA) Resources and FAQs.
[11] U.S. Environmental Protection Agency (2004). Understanding the Safe Drinking Water Act.
[12] Environmental Working Group. (2019). Toxic 'forever chemicals' detected in drinking water supplies across California.
[13] Withrow, K. (2024). The PFAS Challenge: How Two California Water Agencies are Responding.

4) *The Drinking Water State Revolving Fund (DWSRF).* Congress established the DWSRF as part of the 1996 amendment of the SDWA to better enable public water systems to achieve or maintain compliance with the SDWA requirements and to protect public health. The DWSRF provides financial assistance in the form of capital grants to states to provide low interest loans and other assistance to public water systems.[14] To receive these funds, states must match equal to 20% of the federal grants and must create a drinking water state revolving fund program for public water system infrastructure needs and other drinking water-related activities. California established the DWSRF through SB 1307 (Costa, Thompson, Chapter 734, Statutes of 1997) to help fund the state's drinking water needs. In California, the State Water Board Division of Financial Assistance administers the DWSRF Program.

   The DWSRF program prioritizes financial for projects that address the most serious human health risks, are necessary to comply with SDWA requirements, and assist public water systems most in need on a per household basis. There are different project categories within the DWSRF, including specific pots of funding designated for projects addressing failing or at-risk systems, consolidations, emerging contaminants, and more.

5) *DWSRF Emerging Contaminants.* The federal Infrastructure Investment and Jobs Act (IIJA) of 2021 included $50 billion to the U.S. EPA to strengthen the nation's drinking water and wastewater systems. Of this, $5 billion was provided through the revolving funds specifically to reduce exposure to PFAS and other emerging contaminants through forgivable loans and grants.[15] The DWSRF Emerging Contaminants (EC) Fund is intended to address emerging contaminants in drinking water with a focus on PFAS. Eligible projects for the EC funding include construction of new treatment facilities, upgrades to existing treatment facilities, the development of new sources of water, consolidation, planning and design, and more. At least 25% of EC funds must be provided to disadvantaged communities or public water systems serving fewer than 25,000 people.[16] EC funds can also address other contaminants outside of PFAS, as listed on the EPA's Contaminant Candidate List.[17]

   In addition to EC, the State Water Board also administers the EC-Small or Disadvantaged Communities Fund (EC-SDC), which provides grants to communities with populations less than 10,000 and unable to incur debt

[14] U.S. Environmental Protection Agency. (2025). How the Drinking Water State Revolving Fund Works.
[15] State Water Board. (2025). Emerging Contaminants Supplemental Intended Use Plan.
[16] State Water Board. (2025). Drinking Water State Revolving Fund Program and Complementary Programs Intended Use Plan.
[17] U.S. Environmental Protection Agency. (2026). Drinking Water Contaminant Candidate List (CCL) and Regulatory Determination.

sufficient to finance a project or disadvantaged communities. EC-SDC also differs from the EC Fund in that it can be dispersed in the form of grants and utilized for research and testing projects.[18]

As of the publishing of the Supplemental Intended Use Plan for the DWSRF EC and EC-SDC funds, the anticipated funding available for eligible projects is over $496 million for FY 2025/26.[18] The State Water Board may also offer other funding, such as appropriated funding from the Legislature or funds from general obligation bonds, for the purposes of addressing emerging contaminants and PFAS in addition to the funding administered under these programs.[16]

This bill authorizes money in the DWSRF and its special accounts to be considered eligible and expended for projects that address PFAS in drinking water. While the DWSRF is already authorized to do this through the EC and EC-SDC funds, this bill is intended to send a signal to water systems that there is an existing pot of funding available to address drinking water quality issues related to PFAS.

Comments

1) *Purpose of Bill.* According to the author, "PFAS are toxic substances used in thousands of commercial products like nonstick cookware, fabrics, cleaning supplies, and more. They're known as "forever chemicals" and have been found in water systems serving at least 25.4 million Californians. In 2024, the U.S. EPA established minimum safety standards for certain PFAS in drinking water. Despite not being responsible for the PFAS contamination, local water agencies bear the burden of removing PFAS to protect drinking water. Removing PFAS from a water system is extremely costly, and likely to be borne by ratepayers through higher water rates. SB 1313 would help public water systems remove PFAS from drinking water and prevent water rate increases by clarifying that PFAS-related projects are eligible for existing state funds."

2) *Providing clarity for public water systems.* This bill authorizes money in the DWSRF and its special accounts to be considered eligible and expended for projects that address PFAS in drinking water. Projects that address PFAS in drinking water are already eligible for funding under DWSRF EC and EC-SDC. The author and sponsors have expressed their understanding of the fund eligibility; however, they are still concerned that many water systems are

[18] State Water Board. (2025). Infrastructure Investment and Jobs Act – Emerging Contaminants Funding.

unaware of this resource. This bill is intended to send a signal to water systems that there is an existing pot of funding available to address drinking water quality issues related to PFAS.

Because the State Water Board already administers funds for these purposes, the provision for the State Water Board to implement the proposed authorization to update its policy handbook may be unnecessary. *The author may wish to consider striking the authorization for the State Water Board to update its policy handbook to implement the proposed provisions.*

3) *Consistent with the federal act.* To administer the DWSRF EC and EC-SDC funds, the State Water Board may receive funding from a variety of sources, including capitalization grants from the federal government, appropriations from the Legislature, funds from general obligation bonds, and more. This bill authorizes money in the fund, regardless of its source, to be considered eligible and expended for projects that address PFAS in drinking water, consistent with the federal act. This implies that any funding received outside of federal funding, may be subject to the federal requirements associated with federal funding. This may limit the discretion of the State Water Board to expend non-federal funding as they see fit. ***The author and committee may wish to consider striking the condition that funds used to address PFAS are consistent with the federal act.***

4) *Committee amendments.* ***Staff recommends the committee adopt the bolded amendment contained in comment 3 above.***

Related/Prior Legislation

SB 454 (McNerney, 2025) would have created the PFAS Mitigation Fund in the State Treasury and authorized the State Water Board to use the fund to cover or reduce the costs associated with treating PFAS in drinking water and wastewater. This bill was vetoed by the Governor.

SB 682 (Allen, 2025) would have prohibited a person from distributing, selling, or offering for sale covered products that contain intentionally added PFAS beginning January 1, 2027, and prohibited certain specified products that contain intentionally added PFAS, unless the Department of Toxic Substances Control (DTSC) determines the use of PFAS in the product is a currently unavoidable use. This bill was vetoed by the Governor.

SB 903 (Skinner, 2024) would have prohibited the distribution, sale, or offering for sale products that contain intentionally added PFAS unless the use of PFAS is

currently unavoidable and would have authorized DTSC to establish regulations to administer the prohibition. This bill was held on the suspense file in the Senate Appropriations Committee.

AB 2515 (Papan, Chapter 1008, Statutes of 2024) prohibited the manufacture, distribution, sale, or offer for sale any menstrual products that contain regulated PFAS and required DTSC to adopt regulations to implement the law.

AB 1817 (Ting, Chapter 762, Statutes of 2022) prohibited the manufacture, sale, delivery, hold or offer for sale any new, not previously owned, textile articles containing regulated PFAS.

AB 2771 (Friedman, Chapter 804, Statutes of 2022) prohibited the manufacture, sale, delivery, hold or offer for sale in commerce any cosmetic product that contains intentionally added PFAS.

AB 1200 (Ting, Chapter 503, Statutes of 2021) prohibited, commencing January 1, 2023, the sale of food packaging that contains PFAS, as specified; required, commencing January 1, 2024, cookware manufacturers to label their product if it contains an intentionally added chemical, as specified; and prohibited, commencing January 1, 2023, a cookware manufacturer from making a claim that cookware is free of a chemical, unless no chemical from that chemical class is intentionally added to the cookware.

SB 200 (Monning, Chapter 120, Statutes of 2019) established the Safe and Affordable Drinking Water Fund in the State Treasury to help water systems provide an adequate and affordable supply of safe drinking water.

AB 685 (Statutes of 2012) established a 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.

SOURCE: League of California Cities

SUPPORT:

A Voice for Choice Advocacy
Buena Park; City of
California Association of Environmental Health Administrators (CAEHA)
California Catholic Conference
California Health Coalition Advocacy
California Municipal Utilities Association

California Municipal Utilities Association (CMUA)
California State Association of Counties (CSAC)
California Water Association
Central Basin Water Association
City of Buena Park
City of Lakewood CA
City of Paramount
City of Pico Rivera
City of Sacramento Department of Utilities
City of Thousand Oaks
City of Ventura
Clean Water Action
Crescenta Valley Water District
League of California Cities
Sweetwater Authority
Zone 7 Water Agency

OPPOSITION:

None received

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