Office of Senate Floor Analyses
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UNFINISHED BUSINESS

Bill No: SB 454
Author: McNerney (D), et al.
Amended: 9/2/25 in Assembly
Vote: 21

SENATE ENVIRONMENTAL QUALITY COMMITTEE: 8-0, 4/2/25
AYES: Blakespear, Valladares, Dahle, Gonzalez, Hurtado, Menjivar, Padilla, Pérez

SENATE APPROPRIATIONS COMMITTEE: 6-0, 5/23/25
AYES: Caballero, Seyarto, Cabaldon, Grayson, Richardson, Wahab
NO VOTE RECORDED: Dahle

SENATE FLOOR: 37-0, 5/28/25
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener
NO VOTE RECORDED: Cervantes, Limón, Reyes

ASSEMBLY FLOOR: 79-0, 9/8/25 - See last page for vote

SUBJECT: State Water Resources Control Board: PFAS Mitigation Program

SOURCE: Author

DIGEST: This bill, upon an appropriation by the Legislature, creates the per- and polyfluoroalkyl substances (PFAS) Mitigation Fund in the State Treasury and authorizes the State Water Resources Control Board (State Water Board) to use the fund to cover or reduce the costs associated with treating PFAS in drinking water, recycled water, stormwater, and wastewater.

Assembly Amendments of 9/2/25 allow funds to be used to address PFAS contamination in stormwater and for the State Water Board to seek out nonstate, federal, and private funds that are designated for PFAS remediation and treatment.

ANALYSIS:

Existing 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 local entities that implement those standards. (42 United States Code (USC) § 300 (f) et seq.)

2) Establishes the California SDWA and requires the State Water Board to maintain a drinking water program. (Health and Safety Code (HSC) § 116270, et seq.)

3) 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. States must create a drinking water revolving loan fund to receive a federal DWSRF grant. (42 USC § 300j-12, et seq.)

4) 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.)

5) Creates the Safe and Affordable Drinking Water Fund (SADWF) in the State Treasury to help water systems provide an adequate and affordable supply of safe drinking water. (HSC § 116766.)

6) Establishes the Cleanup and Abatement Account (CAA) within the State Water Quality Control Fund, which is administered by the State Water Board. (Water Code (WC) § 13440)

7) Authorizes the State Water Board to award CAA funds to help clean up a waste, abate the effects of a waste, or address an urgent drinking water need. Public agencies, tribal governments, non-profit organizations serving disadvantaged communities, and community water systems that serve a disadvantaged community are all eligible to receive funds from the CAA. (WC § 13442)

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

9) Establishes 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. (WC § 106.3)

This bill:

1) Creates the PFAS Mitigation Fund in the State Treasury, contingent upon an appropriation by the Legislature.

2) Authorizes the State Water Board to expend moneys deposited in the fund upon appropriation by the Legislature to provide specified technical assistance services related to PFAS to water suppliers and sewer system providers.

3) Authorizes the State Water Board to seek out and accept non-state, federal, and private funds designated for PFAS remediation and treatment and deposit those funds into the PFAS Mitigation Fund.

4) Establishes eligibility criteria for water or sewer system providers in order to receive funds.

5) Requires the State Water Board to adopt guidelines to implement this chapter.

Background

1) *The paths of PFAS*. PFAS are a broad class of human-made chemicals consisting of chains with bonded carbon and fluorine atoms. Because of their physical and chemical nature, PFAS are very durable 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 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

[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).

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 eating and drinking 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]

2) *Meeting water quality standards*. The State Water Board's Division of Drinking Water implements and enforces the federal and state Safe Drinking Water Acts, monitors drinking water quality, and issues permits to public water systems throughout the state. 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.[7] Last year, 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.[8] 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.[9,10]

3) *California's programs for PFAS mitigation*. Efforts of the state to address the PFAS problem have included prohibiting the use of the chemicals in products, data collection, and mitigation and treatment down the line. The Legislature has enacted bans for products containing intentionally added PFAS for non-essential use, including but not limited to cosmetic products AB 2771, (Friedman, Chapter 804, Statutes of 2022); food packaging AB 1200, (Ting,

[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] U.S. Environmental Protection Agency. (2024). How EPA regulates drinking water contaminants.
[8] U.S. EPA (2025). Final PFAS national primary drinking water regulation.
[9] U.S. Environmental Protection Agency (2024). Safe Drinking Water Act (SDWA) Resources and FAQs.
[10] U.S. Environmental Protection Agency (2004). Understanding the Safe Drinking Water Act.

Chapter 503, Statutes of 2021); and juvenile products AB 652, (Friedman, Chapter 500, Statutes of 2021). The PFAS in these products can leach into the environment and may have frequent physical contact with the human body.

California Environmental Protection Agency (CalEPA) has been coordinating efforts with federal agencies and the State Water Board regarding PFAS since 2012. Efforts to address contamination in drinking water have included sampling public water supplies, biomonitoring studies, establishing advisory limits and notification levels, issuing investigative and sampling orders, and providing grants for treatment. SB 170 (Skinner, Chapter 240, Statutes of 2021) appropriated $30 million from the General Fund to the State Water Board to provide technical and financial assistance to address PFAS contamination in drinking water supplies. Another $50 million was allocated in fiscal year 2022/23 and $20 million for fiscal year 2023/24.

4) *Where does funding flow?* The Division of Financial Assistance administers the State Water Board's financial assistance programs, including the DWSRF and the Clean Water State Revolving Fund (CWSRF). The DWSRF is a financial assistance program to help water systems achieve the health protection objectives of the SDWA. Funds originate from congressional appropriation and are allocated based on the results of the Drinking Water Infrastructure Needs Survey and Assessment. The grants from the federal government are matched by state funds, then flow into a dedicated revolving loan fund which provides loans and assistance to water systems for eligible infrastructure projects. As water systems repay their loans, the repayments and interest flow back into the dedicated revolving fund. The issues this fund addresses are broad, from improving treatment or water sources to repairing or updating distribution or system infrastructure.

   The CWSRF behaves similarly but provides mainly for water quality infrastructure projects and has the capacity to support large projects ($100 million). For fiscal year 2024/25, the State Water Board intended to apply for nearly $100 million for the DWSRF and CWSRF and transfer the full amount to the DWSRF program. The federal Bipartisan Infrastructure Law provides $5 billion nationwide through the CWSRF and DWSRF for the EC-SDC to reduce exposure to PFAS and other emerging contaminants in drinking water, wastewater, and non-point sources in small or disadvantaged communities. For FFY 2024, the state intended to apply for approximately $83 million from this grant program.[11]

[11] California Water Boards. (2024). Supplemental intended use plan: state fiscal year 2024-25.

Other funds include the SADWF (Monning, Chapter 120, Statutes of 2019) which helps water systems provide an adequate and affordable supply of safe drinking water. This fund is broad in a drinking water sense, as it also applies to consolidating water systems and operation and maintenance costs. The CAA provides grants for the cleanup or abatement of a condition of pollution when there are no viable responsible parties available to undertake the work.

Because the needs that are addressed through funding from these programs are diverse and the demand for certain projects may be high, funding to address all or most PFAS concerns across the state may be scarce. This bill would create a dedicated fund to address PFAS mitigation through grants, loans, or other contracts, with funds originating from a variety of sources.

Comments

1) *Author's statement.* According to the author, "California has banned PFAS in consumer products ranging from food packaging and cosmetics to children's cribs and playpens. But PFAS has been used in thousands of products during the past eight decades, so forever chemicals have contaminated a substantial portion of our drinking water. SB 454 would create a much-needed funding tool to help local agencies pay for PFAS cleanup, while also helping protect ratepayers from higher costs."

2) *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 further inhibit the ability to comply.

   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

[12] Environmental Working Group. (2019). Toxic 'forever chemicals' detected in drinking water supplies across California.

updates to infrastructure to treat contamination can be passed down and increase utility rates. Some water agencies, such as Orange County Water District and Santa Clarita Valley Water Agency, have joined class action lawsuits 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.

One water agency currently grappling with this issue is Sweetwater Authority, a municipal water agency in San Diego County. The water agency found that the concentration of PFOA, a PFAS compound, exceeded the recently established MCL for PFOA that is set to take effect in four years.[14] This gives the water agency time to treat the drinking water supply, but the costs to address this issue are upwards of $40 million and source funds have yet to be identified. This also puts into context the financial demand of individual water agencies to address PFAS contamination compared to the grants available. The need from this local water agency is half of what would be available through the EC-SDC grant for FFY 2024 and this is only one of at least 74 water systems.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

According to the Assembly Appropriations Committee, "The State Water Board will likely incur significant costs, potentially in the hundreds of thousands to low millions of dollars annually, to establish and administer the Fund. The bill allows the State Water Board to utilize up to 5% of the moneys available in the Fund to administer the Fund. Absent sufficient moneys in the Fund to cover these costs at the 5% administrative cap, the State Water Board will require an appropriation from a different fund source – likely the General Fund."

"For its part, State Water Board estimates ongoing annual implementation costs of at least $6.5 million to hire new staff. Specifically, the Division of Financial Assistance estimates $2.75 million in ongoing costs, of which $1.5 million would be for an engineering unit to perform application review and management and $1.25 million would be for administrative staff to draft agreements and coordinate disbursements. The Office of Chief Counsel estimates $250,000 in legal review costs. The Division of Administrative Services estimates costs of at least $2 million to track revenue and claim disbursements, and to provide technical and

[13] Withrow, K. (2024). The PFAS Challenge: How Two California Water Agencies are Responding.
[14] Hinch, J. (2024). South County Report: 'Forever' Chemicals Discovered in South County Water.

administrative assistance. The Office of Enforcement anticipates at least $1.5 million in costs to audit and enforce the terms, conditions, and requirements of funding agreements and to prevent fraud, waste, and abuse of the Fund."

SUPPORT: (Verified 9/8/25)

A Voice for Choice Advocacy
Association of California Water Agencies
Bella Vista Water District
Burbank Water and Power
California Association of Sanitation Agencies
California Environmental Voters (formerly Clcv)
California Municipal Utilities Association
California Special Districts Association
California-nevada Section, American Water Works Association
Calleguas Municipal Water District
Camarillo; City of
Camrosa Water District
Carmichael Water District
City of Agoura Hills
City of Pico Rivera
City of Point Arena
City of Roseville
City of Santa Rosa
City of Thousand Oaks
City of Vernon
Cleanearth4kids.org
Climate Reality Project San Diego
Climate Reality Project San Fernando Valley Chapter
Climate Reality Project, Los Angeles Chapter
Climate Reality Project, Orange County
Coachella Valley Water District
Crescenta Valley Water District
Crestline-lake Arrowhead Water Agency
Cucamonga Valley Water District
Desert Water Agency
Diablo Water District
East Valley Water District
Eastern Municipal Water District
Helix Water District
Hidden Valley Lake Community Services District

Jurupa Community Services District
Lake Arrowhead Community Services District
League of California Cities
Los Angeles County Sanitation Districts
Mendocino County Russian River Flood Control & Water Conservation
Mesa Water District
Metropolitan Water District of Southern California
Mid-peninsula Water District
Monte Vista Water District
Monterey Peninsula Water Management District
Olivenhain Municipal Water District
Orange County Water District
Paradise Irrigation District
Rancho California Water District
Regional Water Authority
Rowland Water District
San Gabriel County Water District
Santa Clarita Valley Water Agency
Santa Rosa; City of
Scotts Valley Water District
Stockton East Water District
Sustainable Rossmoor
Sweetwater Authority
Three Valleys Municipal Water District
Tri-valley Cities of Dublin, Livermore, Pleasanton, San Ramon, and Town of Danville
Walnut Valley Water District
Western Municipal Water District
Yorba Linda Water District
Zone 7 Water Agency

OPPOSITION: (Verified 9/8/25)

None received

ASSEMBLY FLOOR: 79-0, 9/8/25
AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson,

Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas
NO VOTE RECORDED: Nguyen

Prepared by: Taylor McKie / E.Q. / (916) 651-4108
9/8/25 19:42:27

****** END ******