## SAN GABRIEL VALLERY WARRER COMPANY

11142 GARVEY AVENUE - POST OFFICE BOX 6010

EL MONTE, CALIFORNIA 91734-2010

ROBERT W. NICHOLSON CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER

(626) 448-6183 rwnicholson@sgvwater.com

March 14, 2024

The Honorable Shelley Moore Capito Ranking Member U.S. Senate Committee on Environment and Public Works 170 Russell Senate Office Building Washington, DC 20002

As a leader in providing high-quality and affordable water, San Gabriel Valley Water Company ("San Gabriel") works daily to protect the families and communities we serve from the dangers posed by Per- and polyfluoroalkyl substances (PFAS). San Gabriel provides critical services to a population of 500,000 people in California, and has an exceptional record of compliance with federal and state health and environmental regulations. Our 281 employees are proud to be part of the communities we serve and are eager to continue providing high-quality water service.

San Gabriel strongly believes that passive receivers of PFAS, particularly those providing public services and who neither manufacture nor use PFAS, should not be subject to liability under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) for PFAS releases so long as all applicable rules and regulations were followed. Water utilities like San Gabriel have been at the forefront of protecting public health and the environment by proactively treating for PFAS, all at a significant expense. Because these public services are funded by the families who use them, this means that the brunt of these clean-up costs are being borne by people other than those who created the PFAS crisis.

San Gabriel commends the Environmental Protection Agency (EPA) for attempting to right this wrong and hold polluters accountable by designating PFOA and PFOS as hazardous substances under CERCLA. Unfortunately, without Congressional action to protect water customers from CERCLA liability hundreds of millions of Americans will be exposed to even greater costs to clean up a problem they did not create.

CERCLA is based on the principal that parties responsible for contamination should pay for its remediation, known colloquially as "polluters pay." The producers, manufacturers, and parties that used PFAS chemicals in their operations are all clearly responsible parties. Water systems and their customers are clearly not.

EPA Administrator Regan has stated in testimony before Congress that the agency does not intend to seek cleanup costs from water utilities for PFAS under CERCLA. While San Gabriel appreciates this sentiment, it is not binding on future administrations. More importantly, this enforcement discretion cannot protect water systems from being named in a private cause of action or being brought into an EPA enforcement action by a potentially responsible party in order to dilute their liability. The legal fees and liability exposure from these near certainties will have farreaching impacts on utility budgets and customer rates.

Only Congress can provide the protection water systems require to keep providing clean, safe water services at reasonable rates.

Moreover, the EPA's proposed maximum contaminant levels for certain PFAS means that the only entities with a legal requirement to remove those PFAS from the environment would be water systems (again, with the bulk of those costs being borne by customers). It would be wholly inequitable to direct water utilities to clean up a problem they did not create while at the same time exposing their customers to potentially billions of dollars of liability when the filters used to remove PFAS are disposed of. Congress must take action to protect these innocent parties by enacting an exemption from CERCLA liability for the disposal of PFAS filters by water systems.

San Gabriel strongly urges you to pass a CERCLA exemption for all water systems to protect customers from having to pay twice for PFAS cleanup.

Sincerely,

Qxw. Milmh