

SUBJECT

BOARD RESOLUTION NO. 25-451

Pertaining to authorizing staff to file an additional claim in the multi-district litigation settlement of Aqueous Film-Forming Product Liability Litigation, which now includes Tyco Fire Products and BASF Corporation as Settling Defendants.

STRATEGIC PLAN GOALS: Quality Water and Financial Stability

As discussed at the Board of Water Commissioners (Board) meetings on May 9, 2023 and January 11, 2024, there is an ongoing class action lawsuit against the producers of PFAS/PFOA chemicals (forever chemicals). The proposed resolution will direct staff to submit a claim as part of the class action lawsuit against two additional PFAS/PFOA manufactures.

Forever chemicals, specifically per- and polyfluoroalkyl substances (PFAS/PFOA), have garnered significant attention due to their persistent nature in the environment and adverse health effects. The two additional major manufacturers named in this claim are historically associated with the production and distribution of PFAS/PFOA containing products. The contamination of source waters poses risks to public health, necessitating remediation efforts and potential financial liabilities.

SPRWS has taken proactive steps to extensively conduct water quality testing and investigate potential treatment technologies to mitigate the presence of forever chemicals in our water supply. Although current PFAS/PFOA concentration are quite low, the costs associated with remediation and ongoing monitoring may place a strain on SPRWS's financial resources if additional treatment is required in the future.

In response to the class action lawsuit and in consultation with legal counsel, SPRWS is recommending the Board submits an additional claim as part of this collective legal action. This claim is intended to seek compensation for future costs incurred by SPRWS in managing and mitigating the impact of PFAS/PFOA contamination on our water systems and ensuring the safety of the community.

Participation in the class action lawsuit may result in financial compensation that would alleviate a portion of any future financial burden on SPRWS and benefit our ratepayers. There is also the possibility of prolonged legal proceedings and uncertain outcomes that could impact the final resolution and compensation received.

RECOMMENDATION

Approval