

Commerce City City Council Talking Points

3/2024

Key messages

- **The community we serve has historically had Environmental Justice issues.**
- **The District has 2 emerging contaminants of concern 1,4-Dioxane and PFAS.**
- **The District does not believe our rate payers should bear the financial burden for treatment of these emerging contaminants and is actively seeking any additional funding opportunities.**
- **The District is seeking the continuance of the Build America/Buy America waiver for FY 2024 for the construction of its new treatment plant.**
- **Cover the final gap in funding for the District's PFAS treatment works – around \$15-20 Million.**
- **Provide enough funds to EPA to begin making real progress on 1,4-Dioxane contamination coming from the Chemical Sales Company Superfund Site. The District has been actively pushing for mitigation for 7 years, with minimal progress on the ground.**

General Facts

- South Adams County Water and Sanitation District is the water and wastewater provider for the Commerce City community.
- The District's water treatment facility was built in 1989 through an agreement with Shell Oil Company and the Army Corps of Engineers due to the groundwater contamination of activities on the Rocky Mountain Arsenal. The water facility utilizes a granular activated carbon (GAC) treatment system to treat VOCs (Volatile Organic Compounds). It has the capacity to treat 13.5 Million Gallons Per Day
- In 2012, the District discovered 1,4-Dioxane in its groundwater supplies after testing required by the Unregulated Contaminant Monitoring Rule 3 (UCMR3). The source of contamination is from a now defunct Chemical Sales Company that is under the control of the EPA and Colorado Department of Public Health and Environment as a superfund cleanup site.
- In 2018, the District voluntarily tested for per- and polyfluoroalkyl substances (PFAS) in its raw groundwater supply as a result of contamination occurring in southern Colorado.
- In 2021, the District constructed a water softening plant due to the hardness in its groundwater supply.
 - The plant uses a state-of-the-art technology known as Pellet Softening.
 - It is currently the largest pellet softening facility in the United States.
 - This technology is commonly used throughout European and Asian countries and is beginning to grow in the United States.

- This is a sustainable technology that softens the water using calcium carbonate pellets that have beneficial reuse purposes after treatment including drywall, and livestock feed.
- It was important for the District to use a sustainable environmentally friendly process due to the environmental justice concerns of our community.
- Hardness is an aesthetics issue with drinking water that is not regulated. The District decided to take this step to improve the quality of life for our community.

1,4-Dioxane

- 1,4-D is a solvent stabilizer used in paints and some personal products.
- Detection levels are below EPA Health Advisory Level of 35 parts per billion, but above a state groundwater standard of 0.35 parts per billion.
- Concentrations are highest in Southern well field.
- We funded an investigation to trace the source to the former site of Chemical Sales Company outside of the corporate boundaries of Commerce City, a long-defunct business, and the site is now a Superfund Site controlled by EPA and CDPHE.
- CDPHE is currently conducting a source control pilot study to determine the effectiveness of their proposed treatment solution to remediate the groundwater supply.
- Push the EPA and CDPHE to formulate a viable solution that cleans up the groundwater supply that has migrated into the District's supply.
- The District currently has a 30% design completed for a 1,4-Dioxane water treatment facility that is currently priced at about \$65 million. EPA and CDPHE can identify and allocate federal/state funds to mitigate 1,4-Dioxane out of the District's water supply.

PFAS

- SACWSD first discovered PFAS in its water supply when it voluntarily tested its groundwater for PFAS in 2018. When the District discovered PFAS in its water, it took the following steps to reduce PFAS levels:
 - Shutting off wells with high PFAS concentrations;
 - Increasing the number of granular activated carbon filter media change-outs;
 - Purchasing state-of-the art monitoring equipment and hiring additional laboratory staff to provide frequent and rapid monitoring; and
 - Working with CDPHE on upstream source control
 - In 2019, entered into an emergency water supply agreement with Denver Water for an additional 2000 af of water supply for further PFAS mitigation.
- The above actions kept the District well below the health advisory limit (HAL).
- In June 2022, the EPA lowered its interim lifetime HAL for PFOA and PFOS from 70 parts per trillion (ppt) combined to 0.004 ppt for PFOA and 0.02 ppt for PFOS. At that time, the District took additional steps to lower the levels of PFAS including:
 - Purchasing additional treated water from Denver Water to blend with District water; and

- Optimizing the treatment process through the District's Granulated Activated Carbon Treatment system. However this action reduced the capacity of the treatment from 13.5 MGD to 6.5 MGD
- These actions resulted in the reduction of PFAS in drinking water to a non-detect level. However, they are short-term solutions, that are not economically feasible or sustainable for the long-term treatment of PFAS.
- With the EPAs announcement in March 2023 of the proposed MCL for the six PFAS compounds, the District is committed to having permanent treatment in place before the MCL is in effect.
- The District has finished design of a new treatment plant to provide a long-term sustainable solution to treat PFAS. And construction is scheduled to begin in April 2024, with completion expected December 2026
- The new treatment plant will use an ion exchange treatment system. The District's current system does not have the capacity to treat to the levels we need in a sustainable and economical manner.
- The PFAS contamination was not caused by District ratepayers and therefore should not have the burden to mitigate its removal from the District's groundwater supply.
- In addition to designing the treatment system, the District is pursuing funding through the Bipartisan Infrastructure Law and other federal funding sources to minimize costs to our ratepayers.

Build America/Buy America Act Requirements (BABA)

- The District received a waiver in May 2022 on the requirements of BABA since it was under design for a new water treatment facility.
- In November 2023, the EPA removed the waiver for projects that would be using 2024 fiscal year bipartisan infrastructure law funds.
- The result of this waiver being removed has resulted in millions of dollars of additional cost to the District's project.
- The District requested that it be "grandfathered" into the prior waiver approval since the District broke ground on this project in September 2023 by installing a fence on the perimeter of its newly possessed property.
- In lieu of the above request, the District and its construction team will be seeking waivers from EPA and OMB for unavailability of products/materials to complete the project. The District is seeking this waiver the EPA and OMB in order to minimize project costs which will impact the District's ratepayers.