



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: General Services Department

Subject: PFAS Class Action Settlement for Rountree Water System

Meeting Date: April 8, 2025

Formal Title: Authorize the Director of General Services to file Claims Forms to participate in settlement of multi-district litigation against Tyco Fire Products LP, Chemguard, Inc., and BASF Corporation, and execute releases of claims against the defendants

Recommended Actions

1. Authorize the Director of General Services to file Claims Forms to participate in settlement of multi-district litigation against the Tyco Defendants and BASF Corporation; and
2. Authorize the Director of General Services to execute releases of claims against the Tyco Defendants and BASF Corporation

Executive Summary

The County of Santa Cruz has been impacted by contamination in the Rountree water system due to PFAS chemicals, and the State of California has set a regulatory standard for these contaminants. Under State orders, the County conducted quarterly testing of the water system for PFAS, with levels found to exceed the newly set regulatory standard. This situation has made the County eligible to seek compensation for damages.

A multi-district class action settlement has been initiated involving Tyco Fire Products LP, Chemguard, Inc., (collectively, the "Tyco Defendants"), and BASF Corporation. As a public water system, the County of Santa Cruz qualifies to participate in this settlement by filing claims for compensation. To join the settlement process, it is necessary that the Director of the General Services Department (GSD) be authorized to act on behalf of the County of Santa Cruz to file claims forms and execute releases of claims against the Tyco Defendants and BASF Corporation. The deadline to file claims forms is April 8th, 2025. Failure to file claims by this date would result in the County losing the ability to receive compensation for damages related to the PFAS contamination of the Rountree water system.

Discussion

The County of Santa Cruz, through its Department of General Services (GSD), operates a public water system at the Rountree Correctional Facility, which is subject to periodic testing under State of California regulations. Since 2021, as directed by the State, the County has conducted quarterly testing for PFAS (per- and polyfluoroalkyl substances), which are known to be persistent contaminants that may pose risks to public health and the environment.

At the time, no regulatory standards had been set by the State regarding minimum

acceptable levels of these substances in the water supply, and the County fulfilled its obligation by notifying the State of test results when PFAS results met the established notification thresholds, as required by Health and Safe Code Section 116455. In April 2024, the State of California established a regulatory standard for PFAS at 0.007 parts per trillion (ppt). Upon comparing the County's testing data to this new standard, it was found that the PFAS in the Rountree Correctional Facility water system, with measurements of 3.6 ng/L (equivalent to ppt) for PFBS, 3.3 ng/L for PFHxS, and 6.1 ng/L for PFOA, significantly exceed the State's threshold.

As a result of these findings, the County of Santa Cruz is eligible to seek compensation for damages related to the contamination of the Rountree water system from the Tyco Defendants and BASF Corporation. There is currently a class action settlement for which the County qualifies to file a claim as a public water system under the terms of the litigation.

The General Services Department (GSD) is responsible for the management and oversight of the Rountree water system. This includes ensuring compliance with state water quality regulations and addressing any issues related to contamination. To participate in the settlement of the multi-district litigation against the Tyco Defendants and BASF Corporation and seek compensation, the Director of the General Services Department (GSD) requires authorization to take the following actions on behalf of the County of Santa Cruz:

1. File Claims Forms, and
2. Execute releases of claims against the Tyco Defendants and BASF Corporation.

Delegating this authority to the Director of the General Services Department (GSD) is necessary for the County to participate in the settlement process and recover damages. The deadline to file claims forms and be eligible for compensation is April 8th, 2025. Failure to file by this date would result in the County losing its eligibility to recover damages related to the PFAS contamination of the Rountree water system.

Financial Impact

According to the allocation range tables provided by the defendants, recoveries for Tyco at a flow rate of 100 gallons per minute (gpm) range from \$3,149 to \$8,242, and for BASF at 100 gpm, the range is from \$1,312 to \$3,434. Given the County's flow rate of 67 gpm, the recoveries are expected to fall at the lower end of these amounts. This estimate reflects recoveries for action funds and does not include potential recoveries from other funds, such as Special Need Funds, Supplemental Funds, the Litigation Bump, or the Public Water Provider Bellwether Bump. The County may qualify for these additional categories, though this is yet to be determined.

Strategic Initiatives

Operational Plan - Comprehensive Health & Safety, Sustainable Environment

Submitted By:

Michael Beaton, General Services Director

Recommended By:

Carlos J. Palacios, County Administrative Officer

Artificial Intelligence Acknowledgment:

Artificial Intelligence (AI) did not significantly contribute to the development of this agenda item.