

18 March 2026

Deputy Hilary Jeune
Chair
Environment, Housing and Infrastructure Scrutiny Panel
Scrutiny Office
Morier House
Halkett Place
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Dear Deputy Jeune,

Proposition P.26/2026 – PFAS limits under the Water (Jersey) Law 1972

Thank you for your letter of 13 March 2026 and for the opportunity to provide further detail on indicative cost estimates and potential customer bill impacts referenced in Jersey Water's submission of 2 March 2026.

We welcome the work of the Independent PFAS Scientific Advisory Panel (the Panel) and support the objective of ensuring that the scrutiny hearing on 20 March and the forthcoming States debate on P.26/2026 are informed by a clear and accurate understanding of the different figures currently in circulation.

We remain of the view, and continue to recommend, that sufficient time be allowed to fully understand:

- the costs of meeting the proposed 4 nanogram per litre (ng/l) limit;
- the implications for customer water bills, how the investment will be funded;
- the trade-offs with other essential water resource investments; and
- the timeframe required to achieve compliance once the Panel has concluded its work.

The need for scrutiny to seek clarification on both the differing figures and the assumptions behind our preliminary bill impact assessment underlines the shortcomings of the current position and highlights that the proposition is being advanced prematurely, before the underlying financial and technical analysis and evidence base are sufficiently developed.

It is important to note for context that drinking water in Jersey is safe and comfortably meets applicable UK and EU standards for PFAS. The Independent PFAS Scientific Advisory Panel has confirmed that water in Jersey presents "no cause for concern" and their recommendations regarding PFAS standards are designed to "future proof". The Panel has also confirmed that the average daily intake of PFAS for Islanders (from food and water) remains below the guidance limits set by the European Food Standards Authority (EFSA).

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Status and scope of the indicative £40 million figure

The indicative figure of approximately £20 million per treatment plant (£40 million total) referenced in the Panel's draft report relates to an early, high-level estimate for the installation of granular activated carbon (GAC) treatment at Augrès and Handois water treatment works.

This concept level estimate was developed more than 12 months ago as part of our overall feasibility assessment, which looked at several different treatment options. The costing was prepared before the proposed statutory limit of 4ng/l was known, to meet a different performance standard and to inform the subsequent feasibility assessment.

Our work has since concluded that this option is not viable. Key constraints include limited space at Handois treatment works, complex integration with existing processes, high operating costs, concerns that the existing treatment processes may not adequately remove inorganic and organic matter thereby reducing effectiveness of GAC for PFAS removal and the practical difficulties of retrofitting major treatment processes into live sites while maintaining continuity of the Island's water supply.

The Panel was advised of this conclusion in Jersey Water's consultation feedback letter dated 12 September 2025. Jersey Water has not had sight of any subsequent drafts of the Panel's report and therefore cannot comment on whether this feedback has been reflected in the final document. We have also kept the Minister for Environment and officers informed on the progress of our feasibility work, as well as the Hydrogeological PFAS Steering Group.

It is important to note that the Panel's remit is scientific and advisory in nature. It does not extend to the detailed engineering design, feasibility or costing. To the best of our knowledge, the Panel has not undertaken an assessment of the suitability of specific Jersey Water sites for particular treatment solutions or their cost, nor has Jersey Water been asked to provide the information necessary for them to do so.

Scope of Jersey Water's £140 million to £210 million estimate

Jersey Water's work to date indicates that consistently achieving a statutory limit of 4ng/l would require the construction of major new infrastructure that does not currently exist in Jersey. A suitable new Island-wide treatment works is estimated to cost between £140 million and £210 million.

This estimate reflects a fundamentally different scope to the conceptual £40 million referenced above and relates to the delivery of a robust, Island-wide treatment solution capable of reliably meeting a 4ng/l standard.

In broad terms, the estimate allows for:

- Construction of a new water treatment works, on a site yet to be identified, capable of achieving the proposed standard and ultimately replacing the role of the existing Augrès and Handois works.
- Significant reconfiguration of raw and treated water networks to enable water supply to and from the new facility.
- Associated enabling works, including planning, procurement, construction, commissioning and integration with existing assets.
- Substantial power requirements and connection to the electricity network.
- Allowances for operational resilience, system redundancy and long-term maintainability in line with standard practice for public water supply dependent infrastructure.
- Appropriate contingency and risk provision, reflecting the absence of completed pilot trials, uncertainties with early-stage data and current assumption driven design and costings.

As currently drafted, the proposed legislation does not provide sufficient time to investigate alternative delivery models in detail. With additional time, it may be possible to consider a hybrid option, such as a dedicated PFAS treatment facility located on a third site and fed with partially treated water from existing works. However, such an approach would still require substantial additional infrastructure, including chlorine disinfection, ultra-violet irradiation, plumbosolvency treatment, contact tanks, service reservoir storage, pumping and significant network reconfiguration, in addition to the PFAS-specific treatment processes.

Jersey Water remains at an early stage in what would be a multi-year programme. All cost estimates are therefore indicative and based on preliminary assumptions that have yet to be tested through pilot trials, detailed design and procurement. Given the scale and complexity of delivering a 4ng/l standard, reliance on early-stage estimates carries a high degree of uncertainty and risk.

Our recommendation remains that, prior to determining the new standard in law, sufficient time be allowed for the costs and technical feasibility of treatment solutions to be fully investigated and understood, as recommended by the Panel. This remains an essential step in the process to ensure that the outcome is affordable for our customers, fundable by the Island and represents the best solution possible to address the PFAS challenge we all seek to resolve.

Assumptions underpinning projected customer bill impacts

The projected increase in customer bills of approximately 70 percent to 110 percent, referenced in my letter dated 2 March 2026, is illustrative and intended to demonstrate the potential scale of impact in the absence of funding clarity.

In practice, investment of this magnitude could be funded through a range of mechanisms, including debt, equity, grants or a combination of approaches, each with a different cost and risk profile and therefore a different impact on customer bills.

For the purposes of the illustration and to provide a consistent basis for comparison, the estimate assumes funding through debt. Jersey Water's balance sheet would not be sufficient to entertain borrowing at this scale without additional support. Any such approach would therefore require involvement from the Government of Jersey, either as a provider of funding or as a guarantor of third-party finance.

The key assumptions underpinning the illustrative bill impact are:

- Investment funded through borrowing at current interest rates, with no allowance for related interest rate hedging or other risk mitigation. The availability and cost of debt at this scale cannot be assumed.
- An overall cost of capital of approximately seven percent, equating to an additional annual funding requirement of approximately £10.8 million to £14.7 million.
- Additional estimated operating costs in excess of £1 million per year, relating to GAC treatment only, with no allowance at this stage for wider people, power or other overhead impacts. Pilot trial outcomes will inform the actual costs of GAC.
- No allowance for potential savings arising from the closure of existing treatment works, should a new facility replace Augrès and Handois.
- No change to the approved 2026 to 2030 capital investment programme, including the ongoing desalination upgrade and its associated bill impacts.
- No provision for future investment in water resource infrastructure beyond the current planning period (2030).
- Customer charge impacts phased evenly over the implementation period.

In practice, Jersey Water will take all reasonable steps to keep bills as low as possible and to mitigate the impacts of PFAS investment. However, the scale of capital investment required,

together with ongoing operating cost increases, means that material increases in customer bills are likely, whatever funding mechanism is adopted.

In our view, it is essential that the full bill impact for customers is clearly understood before the proposition is considered by the States Assembly. This is consistent with established practice in other jurisdictions, where the impacts of regulatory change for consumers are assessed in full before decisions are taken and are consulted on extensively.

World Health Organisation

When considering PFAS legislation, it is important to take account of international developments. While many jurisdictions are progressing their regulatory approaches to PFAS, we understand that the World Health Organisation (WHO) is actively developing a drinking water quality guidelines for PFAS, expected in 2027 or 2028.

There is the possibility that the WHO's guidelines could differ from Jersey's current proposed limits; either by including a greater number of PFAS substances of concern than the four proposed in Jersey or by setting different guideline limits than the proposed 4ng/l.

To ensure water quality regulations in Jersey have longevity, we would suggest that the Government of Jersey seeks to fully understand the WHO's guideline-setting process and considers alignment with it. This would offer substantial practical benefits, including:

- improved 'future-proofing' by reducing the risk of Jersey's limits becoming obsolete or requiring early revision if the WHO adopts different numeric limits or a wider list of PFAS;
- greater scientific and regulatory defensibility by referencing an internationally recognised benchmark;
- better investment planning by helping to avoid 'stranded' or mis-specified treatment solutions, and thereby mitigating the risk of unnecessary costs being passed through to customers; and
- clearer benchmarking and communications, supporting transparent comparisons with other jurisdictions and simplifying future updates to monitoring and compliance requirements.

In the absence of any cause for concern with our current drinking water and the proposed limits being designed to "future proof", it would, in our view, be advisable to consider deferring a decision on the 4ng/l for four PFAS compounds limit, pending the outcome from the WHO. A new WHO guideline will most likely become the de facto world standard for PFAS over time. This would also create the time for the design, costing and feasibility work to be completed following completion of the Panel process.

Recent amendment

It is noted that a recent amendment to the proposition includes reference to the installation of in-home water treatment alongside an acceleration of the compliance timeline to 1 January 2030. In my previous letter we indicated that the proposed timeline of four years and nine months was not achievable. As such a timeline of one year less is unrealistic given the requirements of the regulation which remain unchanged. Whilst the concept of in-home treatment discussed in the Report to the amendment has its strengths and weaknesses, it has not been recommended by the Panel. Also, the proposed legislation wording does not include any specific provision for such treatment and leaves the regulatory requirement for mains water compliance unchanged.

Conclusion

Jersey Water supports the introduction of affordable, evidence-based PFAS standards and remains committed to working constructively with Government, regulators and the Panel to

ensure PFAS concentrations in Jersey's drinking water remain as low as reasonably practical.

A proposal to introduce a new regulatory water quality limit for PFAS needs to be considered in the round, with an understanding of the costs, how the investment will be funded, the impact on customer water bills, the consequences of this decision on other essential water related investment needs and the timeframe over which it can sensibly be delivered.

With greater clarity on these critical topics and the opportunity for alignment with international standard frameworks, the States Assembly would be better positioned to make a fully informed decision. Our recommendation remains that sufficient time be allowed for this to happen, before a regulation is set in law.

We hope this clarification is helpful in supporting an informed and balanced discussion at the forthcoming hearing and debate. If you have any questions or need further information, please do let me know.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Helier Smith".

Helier Smith
Chief Executive Officer
Jersey Water