

Billions in PFAS Settlement Funds Could Be Missed—Here’s What Public Water Systems Need to Know

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6 minute read | November 18, 2025 at 09:42 AM By James Ferraro Jr.



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Across the United States, many public water systems may be entitled to substantial settlement funds—and not even realize it.

Under landmark settlement agreements with 3M and DuPont, as much as \$13.6 billion has been set aside to help public water systems cover the costs of testing and remediation related to PFAS contamination. PFAS, also known as “forever chemicals,” have been linked to serious health and environmental risks, and are among the most pervasive pollutants in the country. The first round of payments under both of these settlements, known as Phase One, has already begun reaching systems that had PFAS detections prior to June 2023.

But a Phase Two claims process, which closes in 2026, will make billions available to public water systems that either tested for PFAS after the Phase One deadline or have yet to test at all. Unfortunately, many eligible systems may forego participation because they may not realize they qualify, ignored the class settlement notices or underestimate the complexity of the claims process. Unless these systems act soon, they risk missing out on significant funds that have already been allocated for their benefit.

The deadline to submit Phase Two claims is June 2026 for the DuPont settlement and July 2026 for the 3M settlement. Although those dates may seem distant, the process of conducting the appropriate testing and compiling necessary documentation can be time-consuming. In Phase One, many systems waited until the final weeks to prepare claims, only to discover how much technical information was needed and the complexity of the settlement process.

The claims process requires detailed data about each system’s water sources, flow rates, and PFAS test results, gathered and formatted according to specific criteria. The sooner utilities begin preparing this documentation, the better positioned they will be to meet the filing deadlines and secure their share of the available funds.

Eligibility is broader than many assume. Any public water system that treats water for its residents and has detected PFAS—even below the EPA’s proposed maximum contaminate level of 4 parts per trillion—may qualify for compensation. The level of compensation is scaled according to a system’s PFAS contamination levels and flow rates (how much water the system treats). For utilities that have not yet performed PFAS testing—or that may have used methods that do not meet settlement requirements—now is the time to act. A common issue in Phase One was incorrect testing.

Many systems only possess PFAS testing results from the system’s point of entry, where multiple wells or sources may merge before treatment. While that practice may meet certain regulatory standards, it is not sufficient for settlement eligibility. Each individual water source must be tested using one of the EPA-approved testing methods.

Each well or water source effectively becomes its own claim. For example, a utility with ten wells will need to test each well for PFAS and provide the volume of water pumped from each source. Failing to perform the appropriate testing could render a water source ineligible.

To help offset the cost of testing, Phase Two also includes a testing fund that has a January 2026 deadline. Systems can receive up to \$1,000 per water source (\$800 from 3M and \$200 from DuPont) to perform their baseline testing. While modest in comparison to the potential settlement amounts, this funding can help utilities gather the data necessary to establish eligibility.

Accurate testing results are only one part of a successful claim. Systems must also provide flow rate data covering a ten-year period. Most utilities already maintain this information, but it is often stored in fragmented or inconsistent formats. Organizing it now can prevent delays later.

The settlement administrator will review data for completeness, accuracy, and compliance with the testing protocols outlined in the settlement agreements. Utilities that prepare early will be in a far stronger position to secure their share of the settlement funds.

Despite the widespread attention PFAS contamination has received, awareness of these settlements remains uneven. Some systems missed, or did not recognize, the original class settlement notices. Others assume they do not qualify because their contamination levels are low, or because they only performed limited testing.

A particularly damaging misconception is that systems that did not participate in Phase One are now excluded. In reality, Phase Two was created precisely to include those systems that had not yet tested before the Phase One cutoff dates (June 22, 2023, for 3M and June 30, 2023, for DuPont). This means thousands of additional utilities could be eligible.

Another frequent pitfall involves timing. Testing and preparing the claim forms can take months to complete. Systems that delay testing until 2026 may find it difficult or impossible to meet the submission deadlines.

Every public water provider should begin by reviewing the official settlement website at www.pfaswatersettlement.com, which outlines key eligibility requirements, deadlines, and submission procedures. Utilities should then conduct—or, if necessary, redo—baseline testing for all individual water sources using one of the approved EPA methods.


Next, utilities should compile and organize flow rate data for each source covering the past decade, ensuring it is formatted consistently and ready for submission. Finally, water systems should consider consulting legal counsel familiar with PFAS litigation and prior settlement phases. Attorneys who have guided clients through Phase One understand what documentation the settlement administrator expects and how to structure claims efficiently.

The PFAS settlements represent one of the most significant environmental recovery efforts in U.S. history. The funds available through Phase Two could provide critical support to utilities facing rising costs for testing, monitoring, and potential treatment of PFAS contamination.

However, this opportunity is time-limited. Systems that fail to act now could lose access to substantial funds that were intended to help protect their communities and ratepayers.

Every public water system that treats drinking water should evaluate its eligibility immediately. The money is already set aside—what remains is ensuring that those entitled to claim it do not miss their chance.

James Ferraro Jr. *is a shareholder with The Ferraro Law firm. He represents individuals and government entities in high-stakes litigation involving products liability, toxic torts, environmental contamination, and mesothelioma. Since joining the firm in 2013, Ferraro has played a pivotal role in expanding its commercial litigation and mass tort practices, including its growing public entity representation in major litigations such as PFAS/AFFF, insulin price-fixing, and opioids.*

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