



Future Funding Considerations

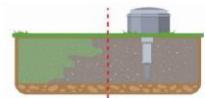
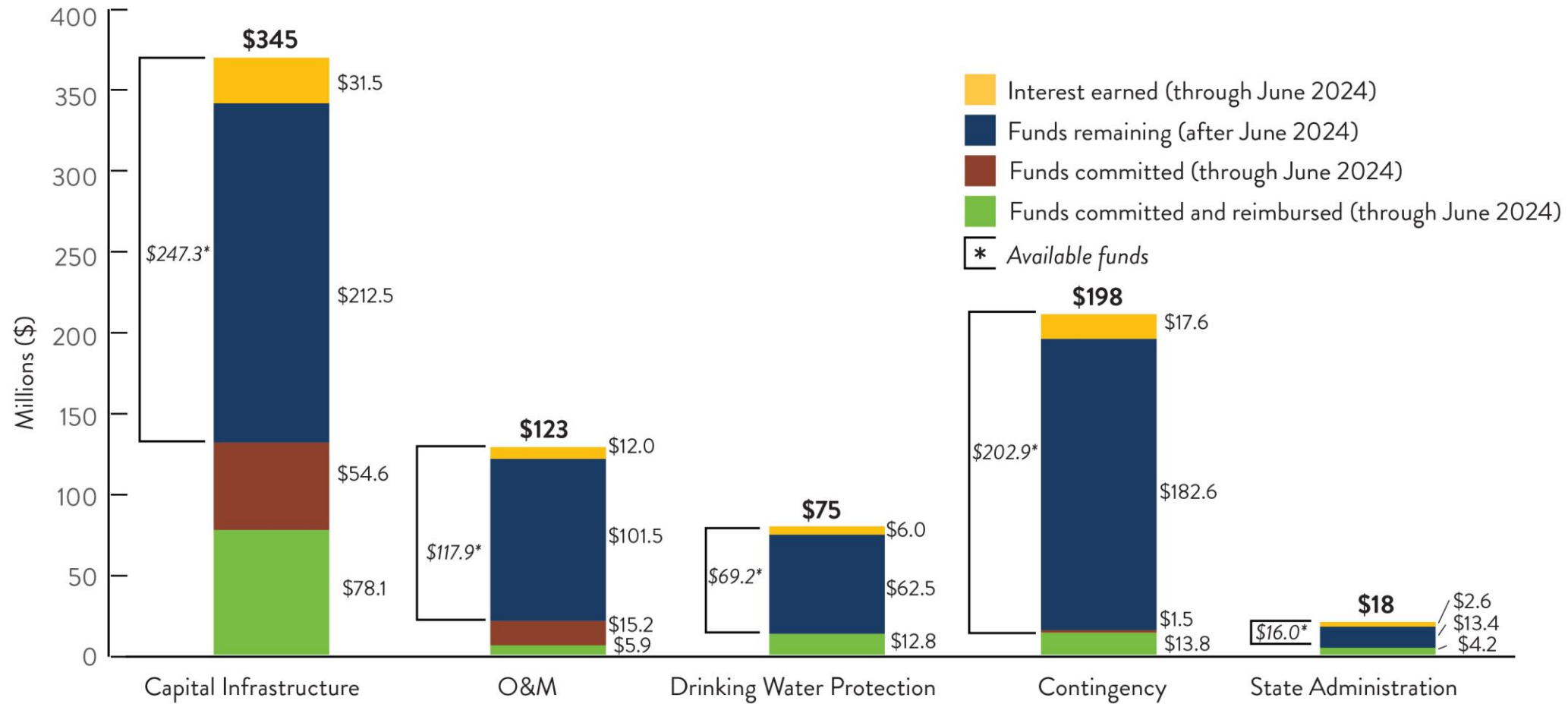
Emma Glidden-Lyon, Abt Global
3M PFAS Settlement Work Group Meeting
November 20, 2024

Agenda

- Current Commitments and Earnings
- Anticipated Commitments
- Fund Reallocation and Transition



Status of Funds through Fiscal Year 2024 (August 2021 through June 2024)



Note: Capital Infrastructure Spending includes POETS

Recently Received/Awarded Grants in Fiscal Year 2025

(July 2024 through October 2024)

Project Name	\$M	Project Name	\$M
Woodbury WTP construction	\$149.7	Newport land acquisition easements	\$0.2
Woodbury remaining pipelines construction	\$79.5	Newport planning and design for interconnect	\$0.06
Woodbury 2024 pipeline construction	\$20.5	Newport water treatment feasibility study	\$0.06
Lake Elmo Well 2 expedited PFAS treatment construction	\$2.3	Cimarron Park water planning for treatment system	\$0.1
Lake Elmo Well 2 expedited PFAS treatment construction	\$2.3	Oakdale comprehensive water system study	\$0.06
Lake Elmo planning for South Area production wells	\$0.07	Oakdale modeling of city distribution system	\$0.03
Eagles Watch PFAS feasibility study	\$0.04	St. Mary's Point water system study	\$0.05

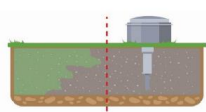
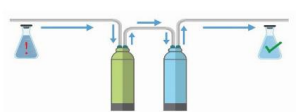
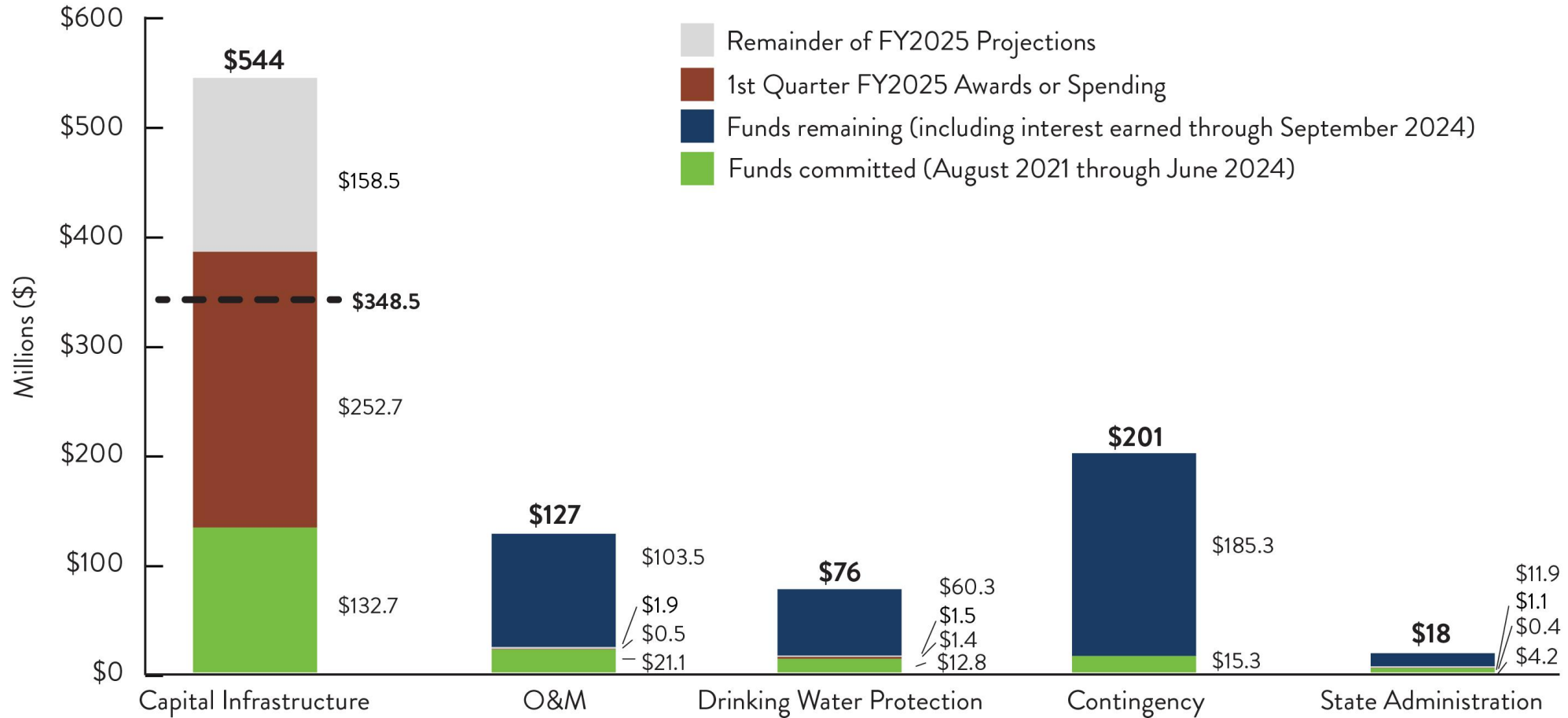
Total Recently Awarded or Received: \$252.6 million

Anticipated Awards through Remaining Fiscal Year 2025

(November 2024 through June 2025)

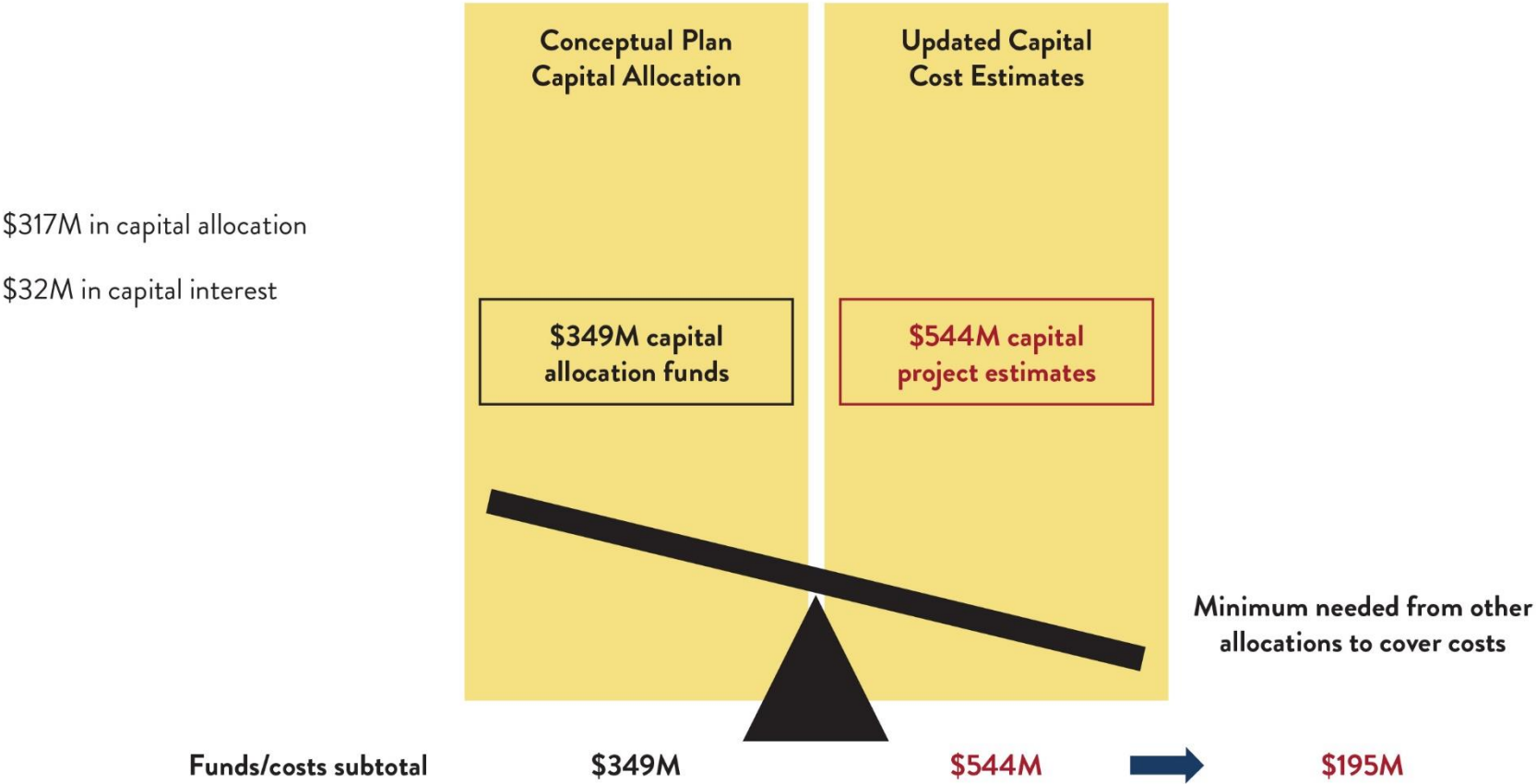
Project Name	\$M	Project Name	\$M
Cimarron Park WTP construction	\$6.2	Hastings land acquisition	\$0.8
Cimarron Park design	\$0.3	Newport WTP planning, design and construction	\$12.0
Cottage Grove Intermediate Zone construction	\$105.0	Newport interconnect construction	\$1.2
Cottage Grove High Zone water main construction	\$7.5	Oakdale drill replacement wells and watermains	\$6.6
Cottage Grove additional watermains for intermediate zone	\$2.0	Oakdale sealing wells 1, 2, and 8	\$0.5
Eagle's Watch design	\$0.7	Woodbury additional wells that need treatment	\$15.2
Total Anticipated Grants: \$158 million			

Funds Committed and Projected through Fiscal Year 2025 (July 2024 through June 2025)



Note: Capital Infrastructure Spending includes POETS

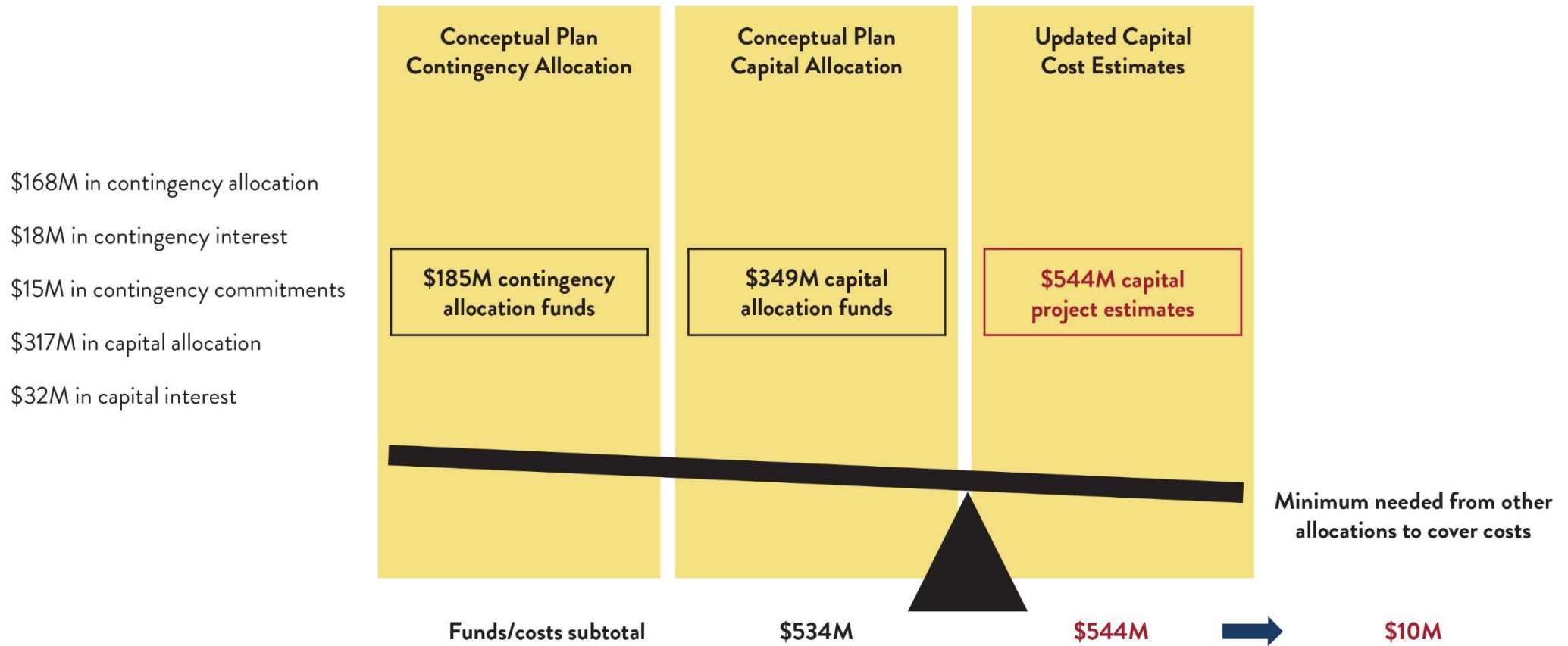
Capital Allocation versus Cost Estimates Through Fiscal Year 2025 (July 2024 through June 2025)



These are estimates for discussion purposes only

Capital & Contingency Allocations versus Cost Estimates through Fiscal Year 2025

(July 2024 through June 2025)



These are estimates for discussion purposes only

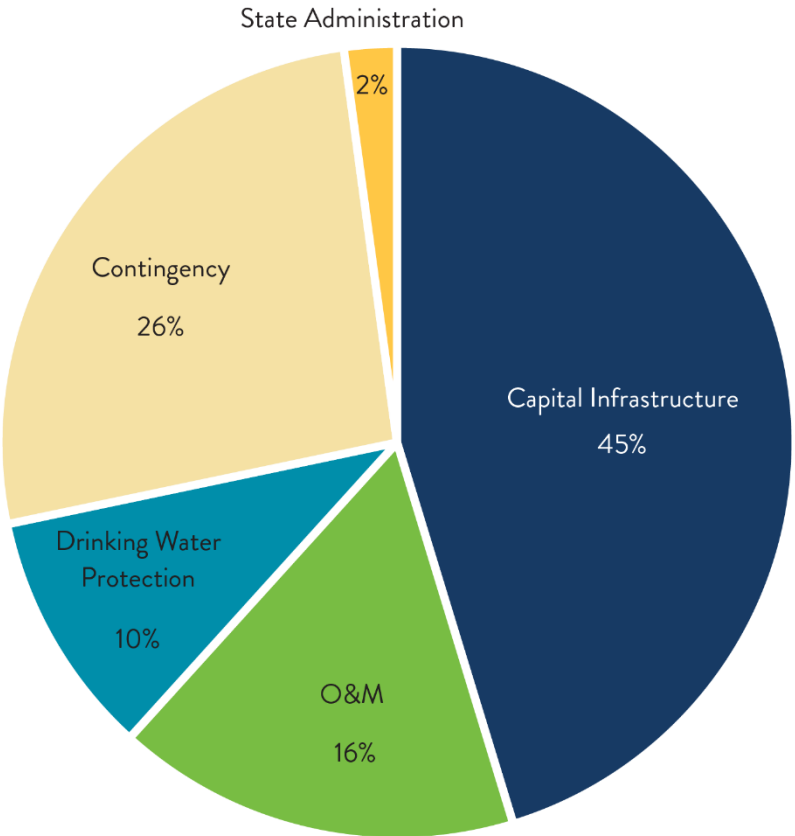
Fund Reallocation Discussion

- No reallocation was needed for Fiscal Year 2024
- Based on current projections, reallocation will be needed in Fiscal Year 2025

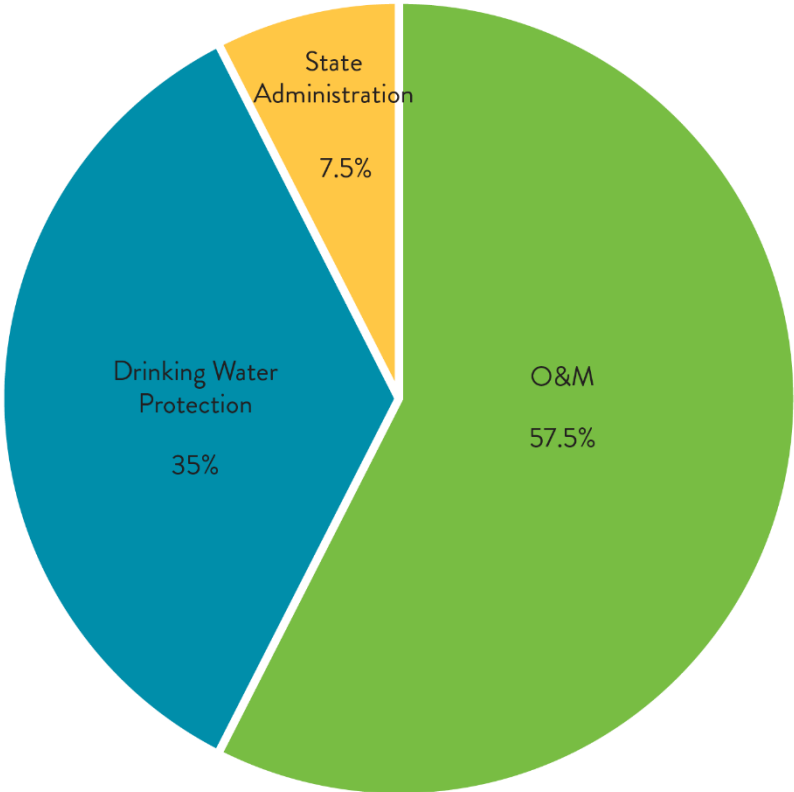
Reallocation approach: The Co-Trustees plan to cover costs in excess of the capital and contingency allocations from 2025 and beyond with dollars from the O&M, drinking water protection and State Administration allocations. Funds drawn from the accounts will be proportional to the distribution percentages from the original allocations

Reallocation Percentages

Original Allocation Percentage



Percent of Reallocation



Fund Reallocation Discussion for Fiscal Year 2025

(July 2024 through June 2025)

Fund Category	Anticipated Commitments FY25	Commitments Above Available Funds	Reallocation Contribution	Funds Remaining After FY25
Capital	\$411,142,500	\$195,342,700	-	\$0
Contingency*	\$0	-	\$185,260,200	\$0
Drinking Water Protection	\$2,893,500	-	\$3,528,900	\$56,780,400
O&M	\$2,411,800	-	\$5,797,500	\$97,738,000
State Administration	\$1,413,600	-	\$756,100	\$11,262,200
Sum	\$417,861,500	\$195,342,700	\$195,342,700	\$165,780,600

*Note that using funds from the Contingency Allocation does not require a reallocation. It is included in this column as a simplification.

Remaining Potential Projects as Needed due to HBVs

- Additional POET Capital Costs
- O&M Costs
- Drinking Water Protection
 - Private well sampling
- Deconstruction of temporary treatment in **Cottage Grove, Oakdale, and Woodbury**
- New treatment facility construction in **Eagle's Watch, Hastings, Lake Elmo, Oakdale**
- Expanding **Oakdale** drinking water treatment facility and additional treatment for Wells 3 and 10
- **Prairie Island Indian Community** well treatment and distribution system
- Residential well improvements and treatment on one well in **Lakeland**
- Communications support for **Woodbury**

Fund Reallocation Key Takeaways

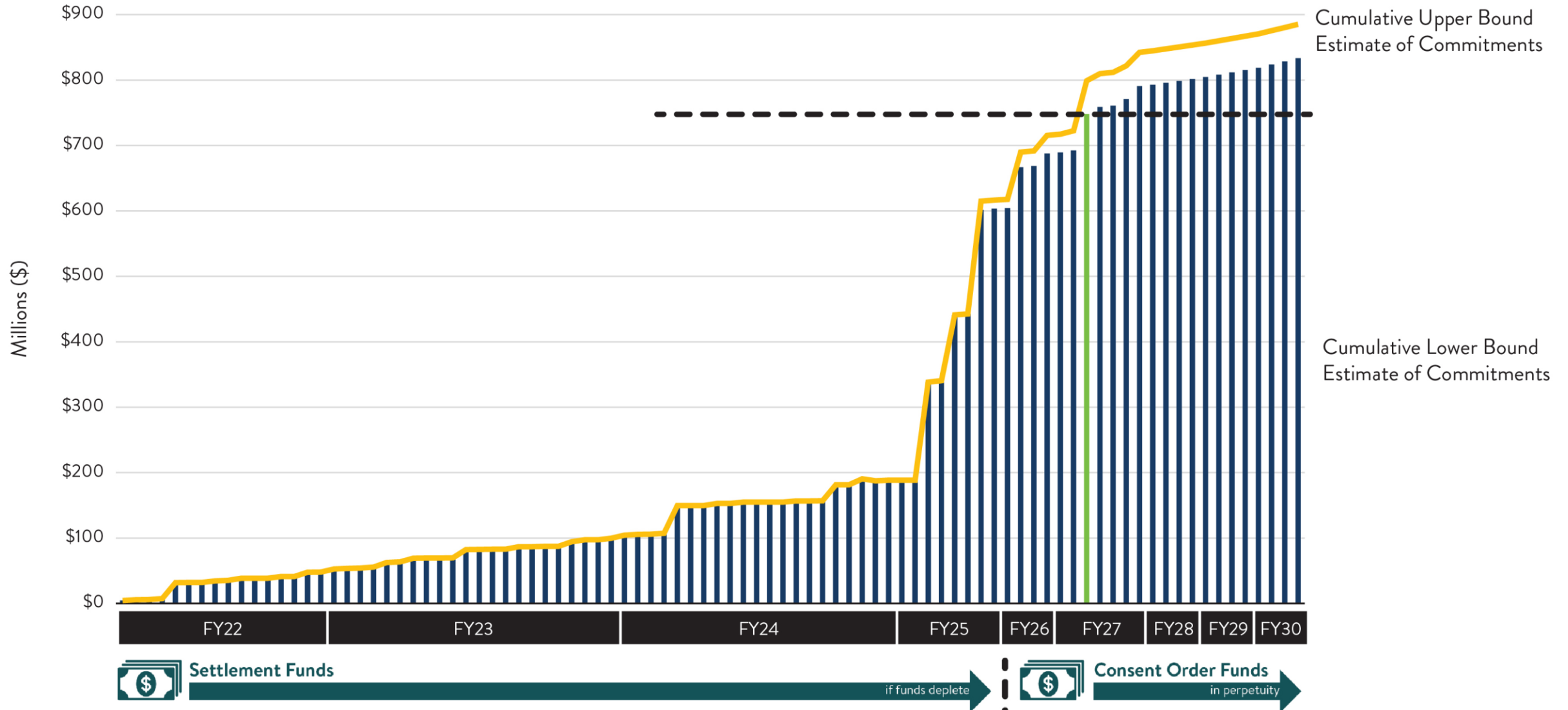
- East Metro Area has additional PFAS treatment needs due to EPA MCLs and MDH HBVs
- Capital grant requests are anticipated to exceed the amount of funding originally allocated to capital and contingency in the Conceptual Plan, and a funding reallocation will be necessary
- Reallocating proportionately from Drinking Water Protection, O&M, and State Administration in 2025

Transitioning to the 2007 Consent Order

Co-trustee's key assumptions include:

- Use community data and best estimates to show a range in the timing of the transition
- The point of transition from the Settlement to the 2007 Consent Order is when funds are committed (i.e., grant awards), not when they're reimbursed to the communities
- Future interest is not included in the estimates of timing given uncertainty of interest
- Estimates of future O&M, Drinking Water Protection, and State Administration spending are included

Lower and Upper Bound of Estimated Funding Needs



- The remaining Settlement funding will likely be committed within approximately 2 to 3 years
- We continue to refine this estimate as funds are committed and Communities update estimates
- When allocations run out of funding, drinking water activities would revert to being reimbursed by 3M under the 2007 Settlement Agreement and Consent Order (2007 Consent Order)
- Co-Trustees will continue on-going discussion with 3M on the transition

Discussion