



Update on Settlement Commitments, Disbursements and Planning for the future transition to Consent Order

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3M PFAS Settlement Work Group Meeting
May 21, 2025

Agenda

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

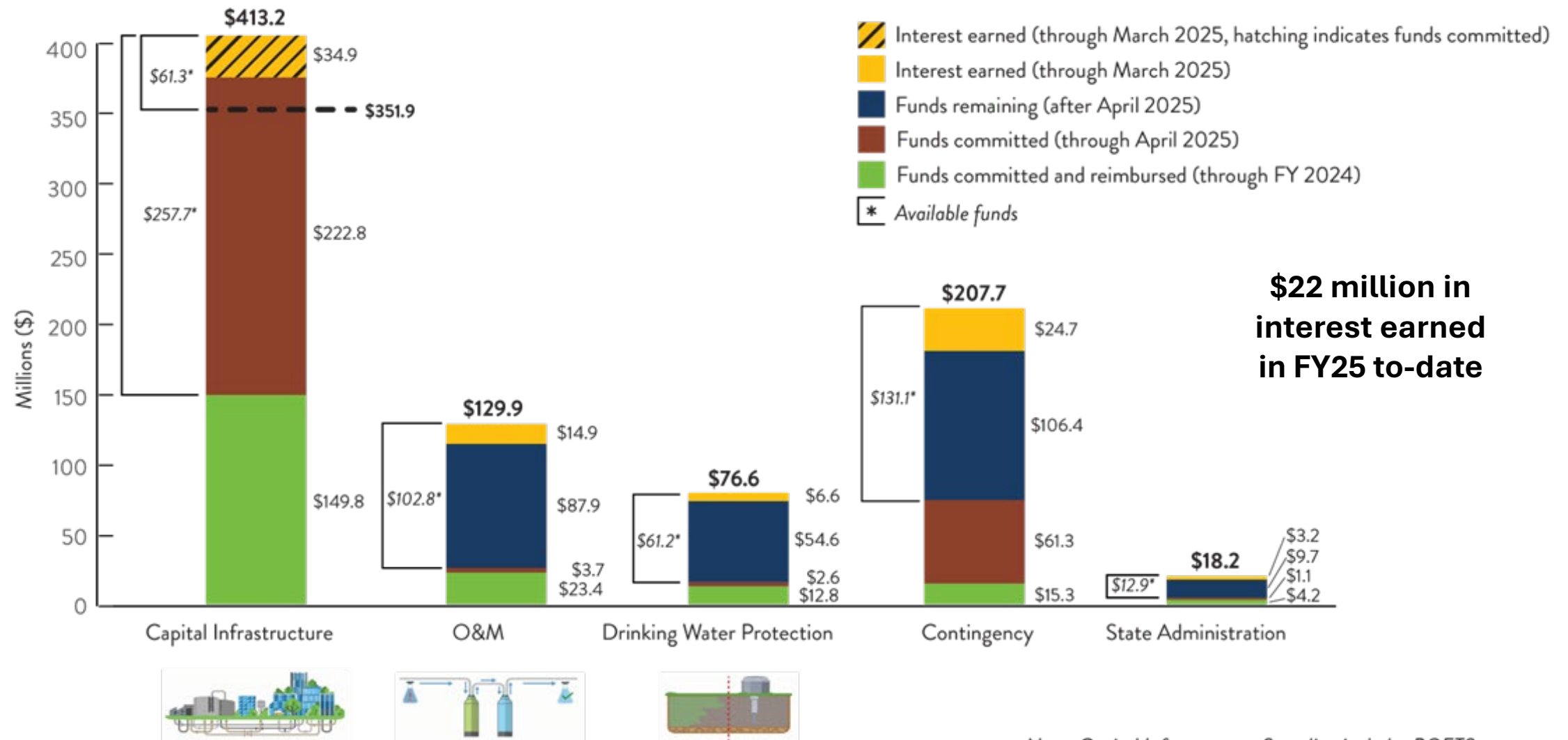


Awarded Grants Since November Workgroup

(November 2024 through April 2025)

Project Name	\$M	Project Name	\$M
Cottage Grove O&M for Low Zone Water Treatment Plant	\$3.08	Hastings Site Acquisition for Water Treatment Plant	\$1.44
Cottage Grove Administration and Communication	\$0.21	Cimarron Park Water Treatment Plant Planning and Design	\$0.13
Cottage Grove High Zone Water Main Construction	\$5.94	Newport Water System Interconnect Planning and Design	\$0.23
Denmark Township Eagles Watch PFAS Feasibility Study	\$0.03	Woodbury Pipeline Projects	\$99.99
Total Recently Awarded or Received: \$111 million			

Status of Funds through Third Quarter Fiscal Year 2025 (August 18, 2021 through March 2025)



Anticipated Awards through Remaining Fiscal Year 2025

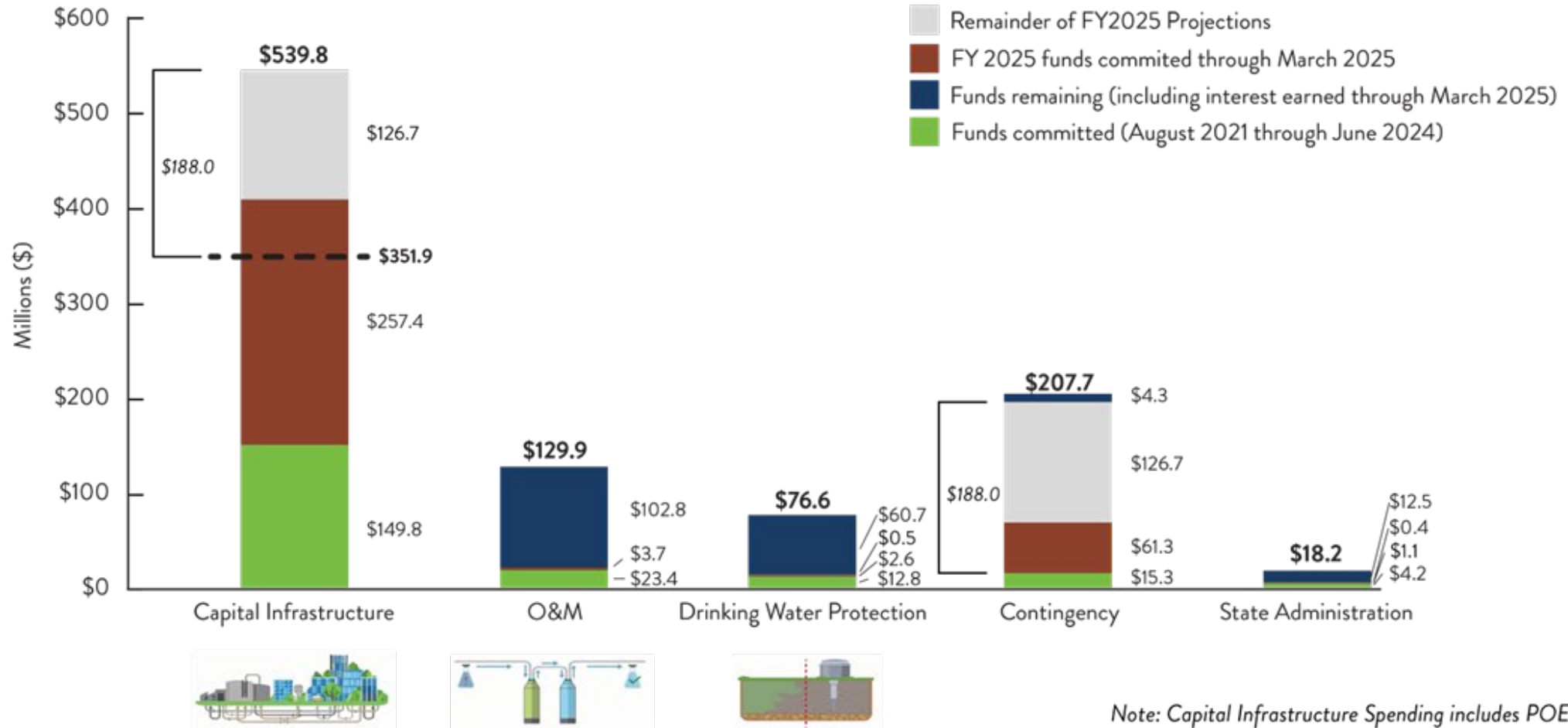
(May 2025 through June 2025)

Project Name	\$M	Project Name	\$M
Cottage Grove Intermediate Zone Water Treatment Plant Construction	\$124.0	Lakeland Feasibility Study	\$0.04
Cottage Grove/Newport Community Interconnect Feasibility Study (Amendment)	\$0.02	Newport – Cottage Grove Interconnect Planning/Design Amendment and Construction	\$1.8
Cottage Grove Low Zone Treatment Plant (Amendment)	\$0.57	Oakdale Addition of Wells 3 and 10 to Feasibility Study (Amendment)	\$0.04
Total Anticipated Grants: \$127 million*			

*Project costs are estimated based on information provided by the communities in the Annual Review survey. If no estimate was provided, we rely on internal best professional judgment. Project estimates are not the final award amounts

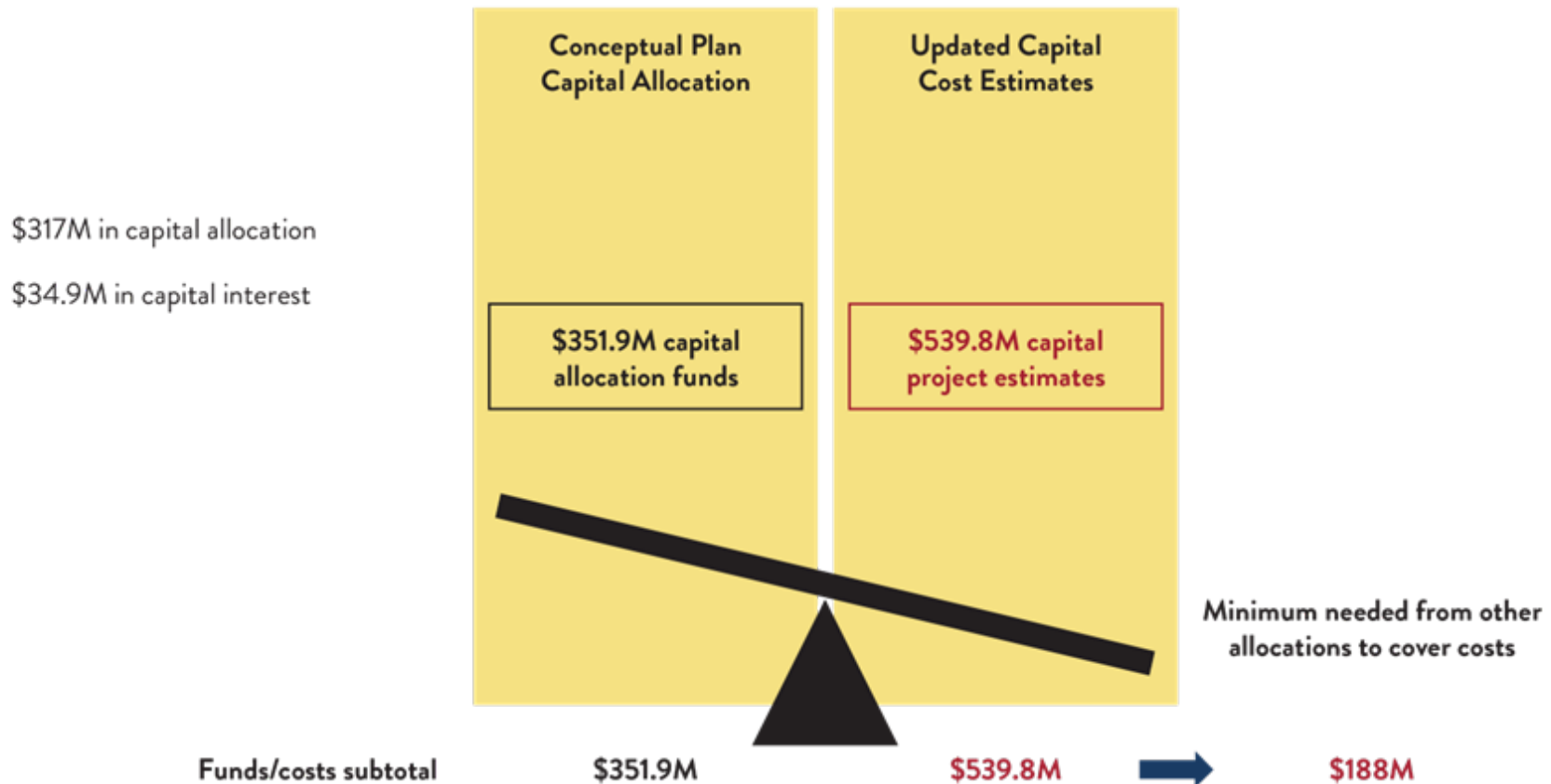
Funds Committed and Projected through Fiscal Year 2025

(August 19, 2021 through June 2025)



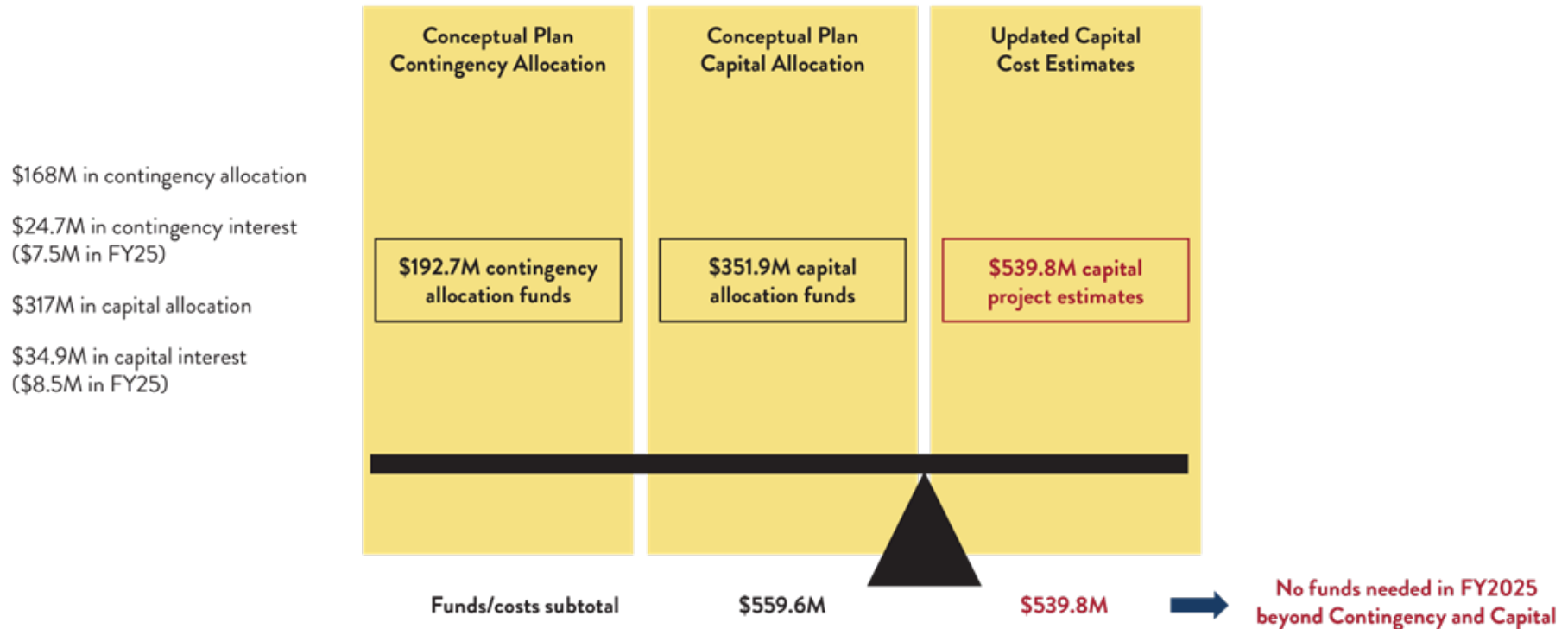
Capital Allocation versus Cost Estimates Through Fiscal Year 2025

(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

- Based on current projections, no reallocation will be needed in Fiscal Year 2025
- A reallocation is anticipated in Fiscal Year 2026

Reallocation approach: The Co-Trustees intend to use funds from the Operations & Maintenance (O&M), Drinking Water Protection, and State Administration allocations to cover these additional expenses. The withdrawals from these accounts will be made in proportion to the original distribution percentages, ensuring that the funding structure remains balanced and consistent with past allocations.

Anticipated Awards through Fiscal Year 2026

(July 2025 through June 2026)

Project Name	\$M	Project Name	\$M
Cimarron Park Water Treatment Plant Design	\$0.49	Lake Elmo South Area Production Wells Water Treatment Plant Construction	\$55.27
Cimarron Park Water Treatment Plant Construction	\$6.21	Lake Elmo O&M for Current Water Treatment Plants	\$2.14
Eagle's Watch Water Treatment Plant Design	\$0.70	Newport Water Treatment Plant Planning and Design	\$1.80
Hastings Water Treatment Plant Construction	\$14.00	Oakdale Water Treatment Plant Design	\$1.62
Total Anticipated Grants: \$82 million*			

*Project costs are estimated based on information provided by the communities in the Annual Review survey. If no estimate was provided, we rely on internal best professional judgment. Project estimates are not the final award amounts

Fund Reallocation Discussion for Fiscal Year 2026

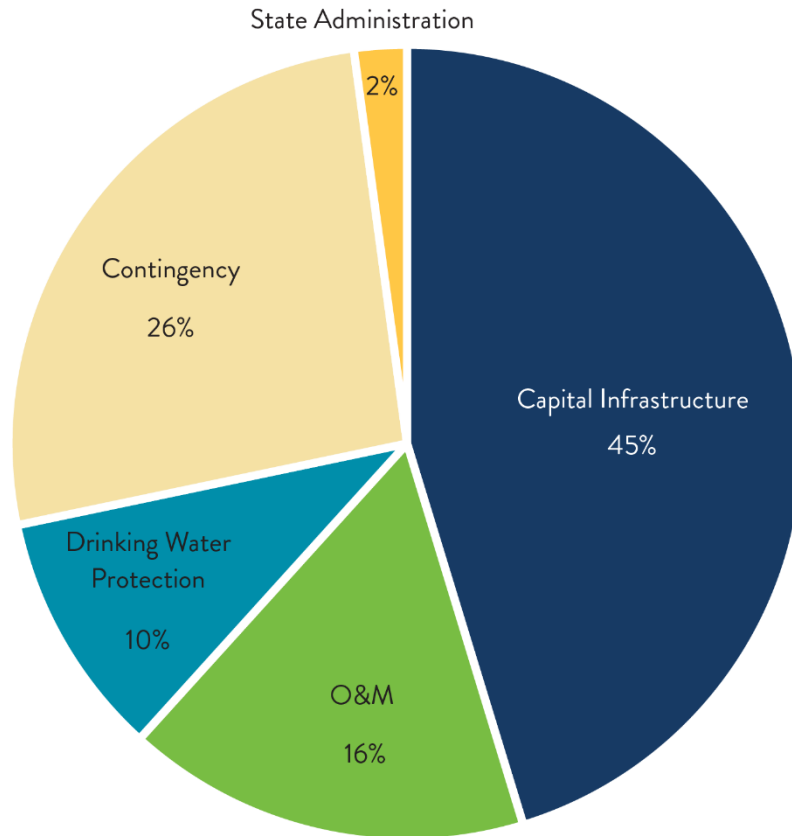
(July 2025 through June 2026)

Fund Category	Anticipated Commitments FY26	Commitments Above Available Funds	Reallocation Contribution	Funds Remaining After FY26
Capital	\$64,106,000	\$64,106,000	-	\$0
Contingency*	\$0	-	\$4,358,000	\$0
Drinking Water Protection	\$2,000,000	-	\$20,912,000	\$37,824,000
O&M	\$7,956,000	-	\$34,355,000	\$66,261,000
State Administration	\$1,410,000	-	\$4,481,000	\$6,623,000
Sum	\$75,472,000	\$64,106,000	\$64,106,000	\$110,708,000

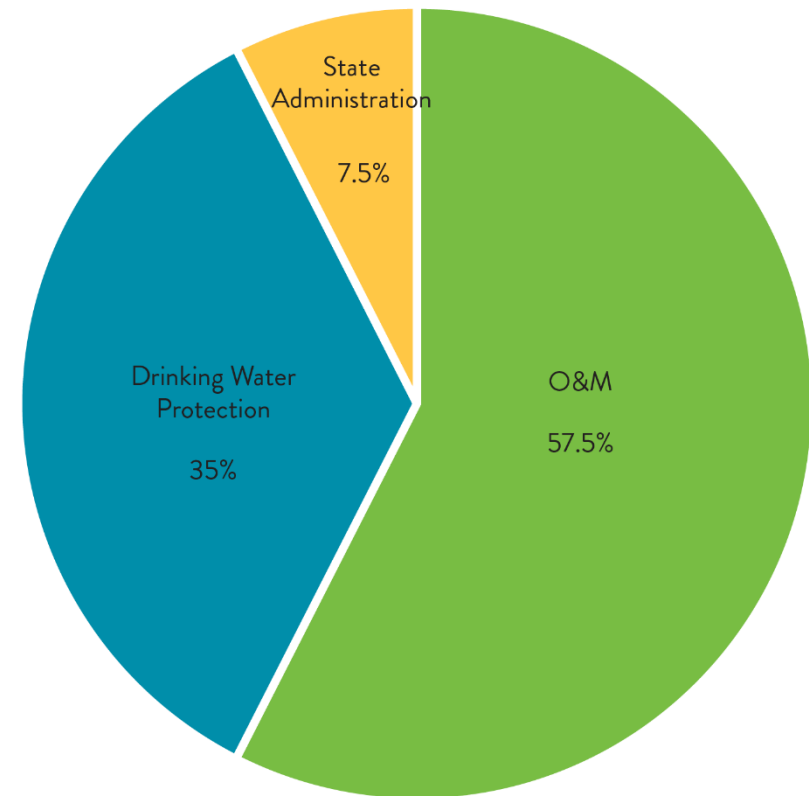
*Note that using funds from the Contingency Allocation does not require a reallocation. It is included in this column as a simplification.

Reallocation Percentages

Original Reallocation Percentage



Percent of Reallocation Needed after Contingency is Applied (\$60M)



Anticipated Capital Awards after Fiscal Year 2026

(July 2026 and onward)

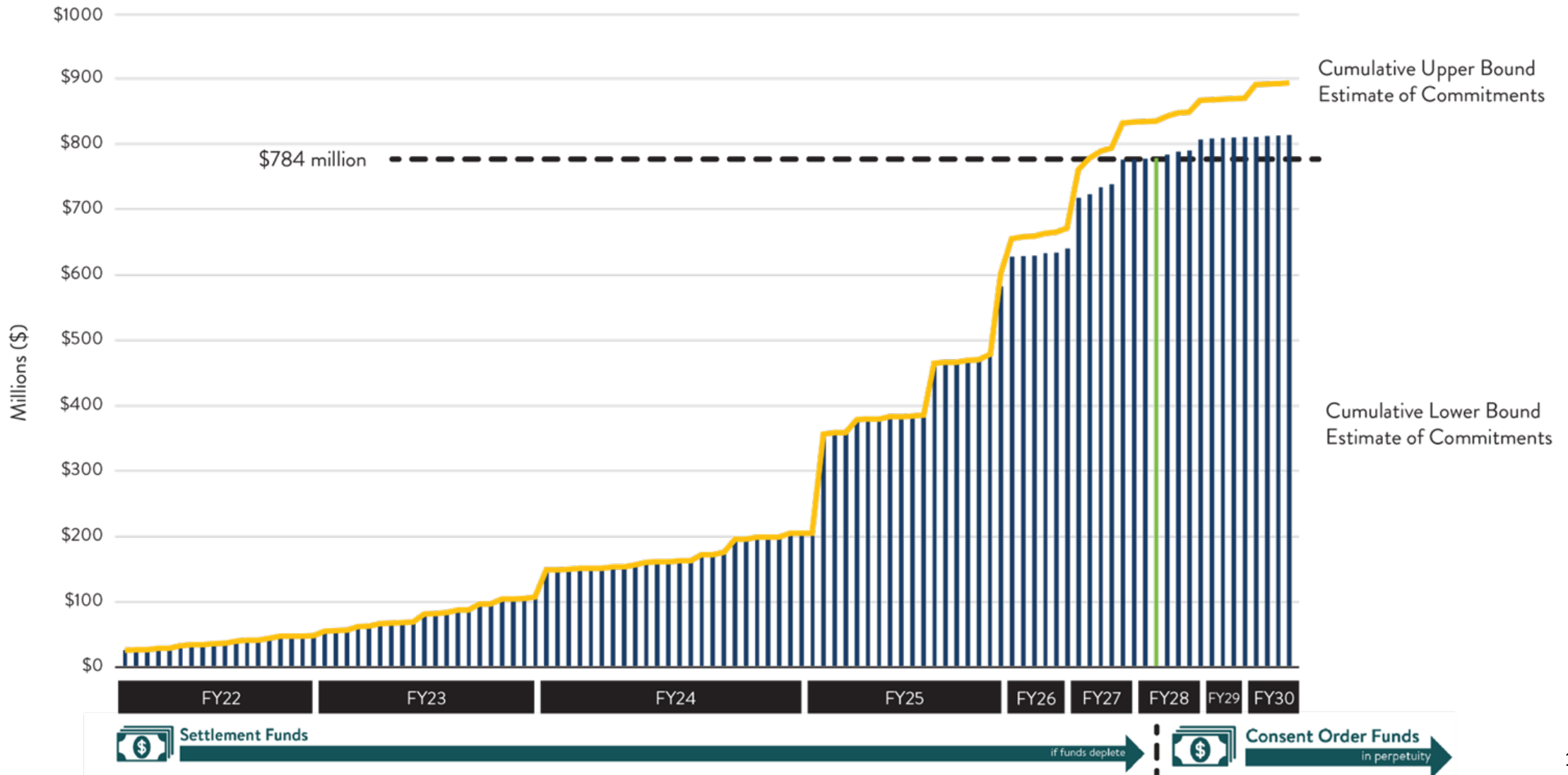
Capital Projects
Cottage Grove Decommissioning of Temporary Treatment
Eagles Watch Water Treatment Plant
Lake Elmo North Water Treatment Plant
Lakeland Residential Well Improvements and Potential Water Treatment Plant
Newport Water Treatment Plant
Oakdale Drilling New Wells and Watermain Work
Oakdale Water Treatment Plants
Oakdale Decommissioning of Temporary Treatment
Oakdale Sealing Wells
Prairie Island Water Treatment Plant
Woodbury Additional Costs for Water Treatment Plant
Woodbury Decommissioning of Temporary Treatment

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)
- 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



- We continue to track the funding as it is committed and communities update estimates
- The annual community survey will be circulated to communities this summer, it will help inform our tracking efforts, in particular estimates of O&M costs.
- 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)

Status of Transition

- Currently in mediation with 3M
- Providing review material (cost estimates and real costs) to 3M
- Mediation is scheduled for June

Discussion