

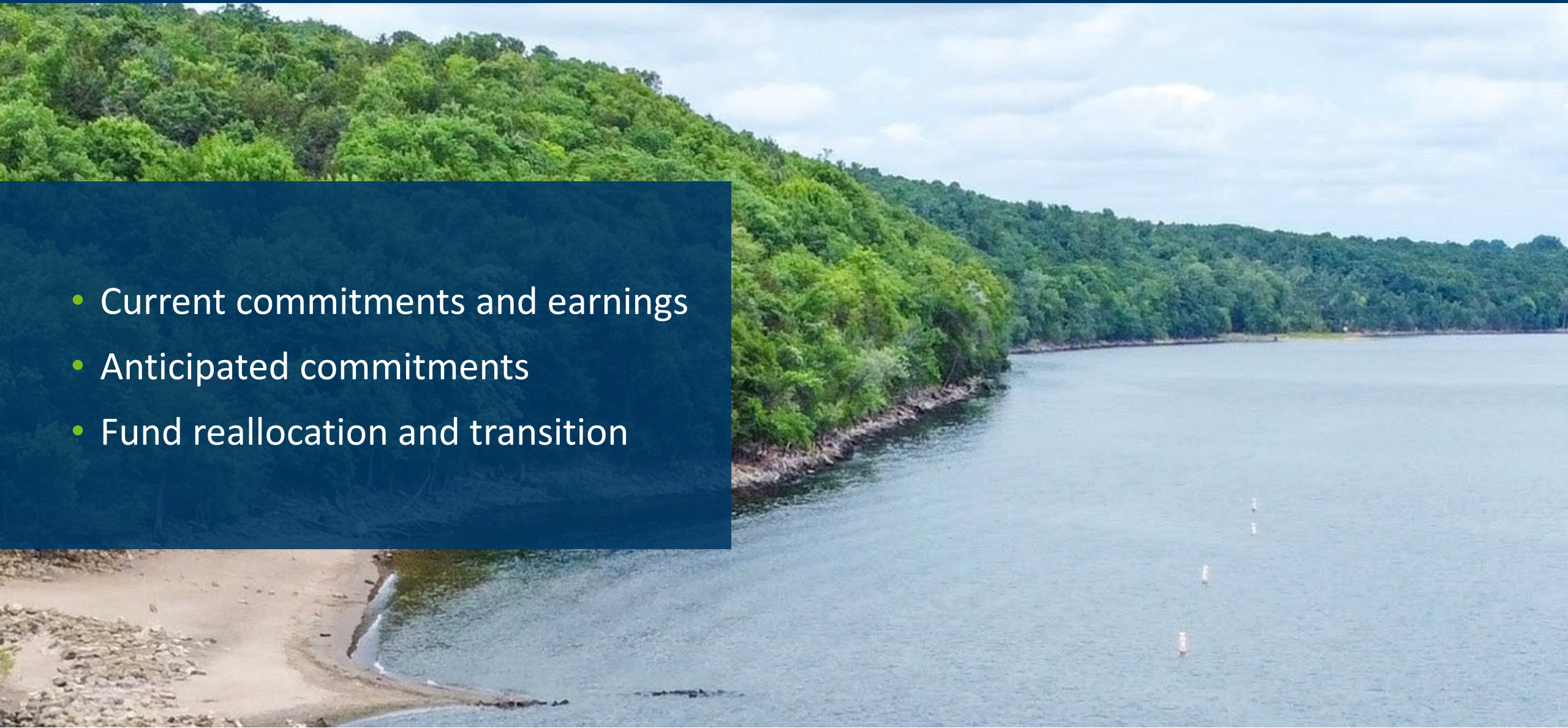


Update on Settlement commitments, disbursements and planning for the future transition to Consent Order

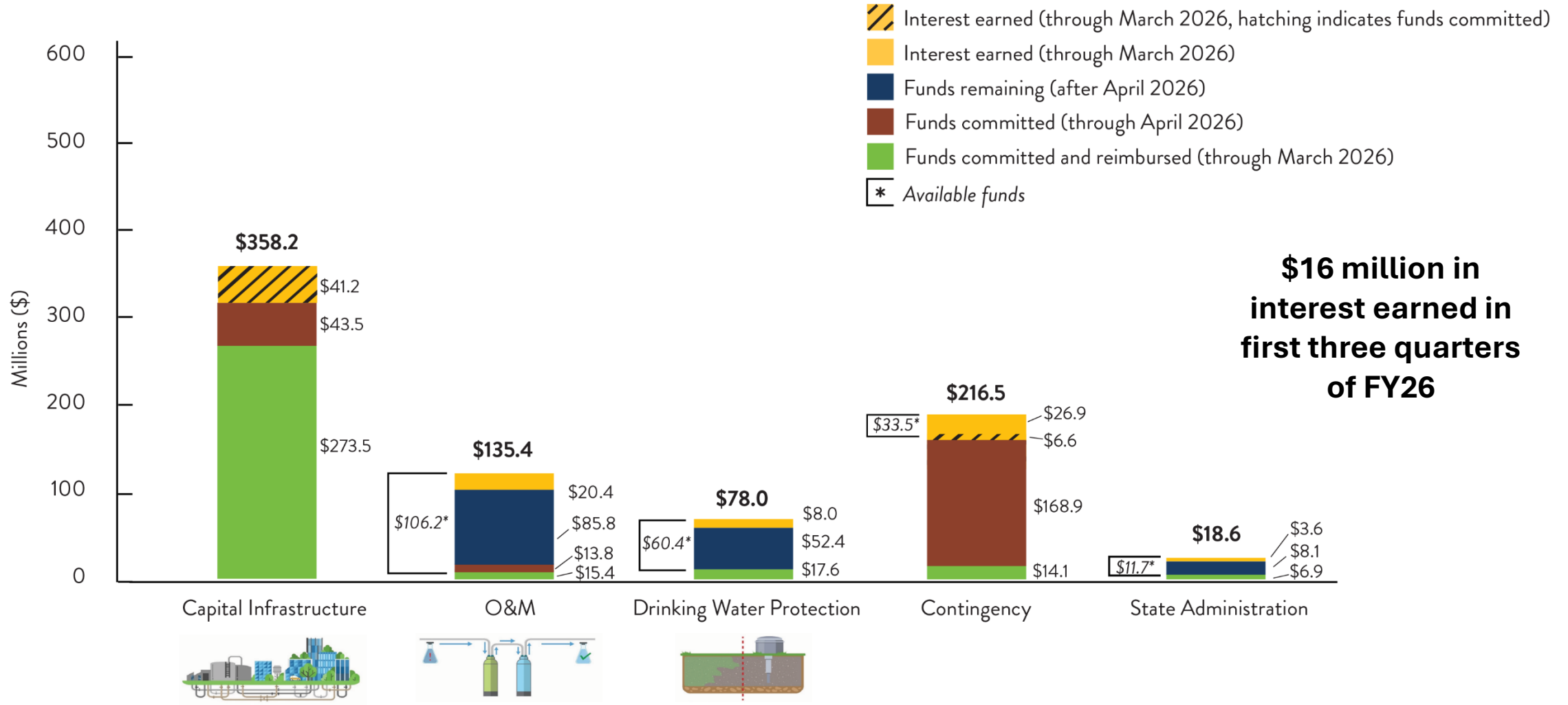
Emma Glidden-Lyon, Abt Global
3M PFAS Settlement work group meeting
May 20, 2026

Agenda

- Current commitments and earnings
- Anticipated commitments
- Fund reallocation and transition



Snapshot status of current commitments (Aug. 18, 2021 – March 2026)



Note: Capital Infrastructure Spending includes POETS

Awards made to-date in fiscal year 2026

(July 2025 – March 2026)

Project name	\$M	Project name	\$M
Cottage Grove amendment to the Intermediate Zone treatment plant	\$0.3	Lake Elmo Wells 4 and 5 siting study	\$0.05
Cottage Grove connections to city water	\$0.3	Newport amendment to the feasibility study	\$0.004
Lake Elmo amendment to the South Area production wells and treatment plant	\$0.2	Oakdale pipelines	\$0.5
Hastings water treatment plant (for Well 5 portion)	\$13.7	Woodbury reduction on pipeline projects (2024)	-\$0.3
Cottage Grove Low Zone - decommissioning of Well 2 temporary treatment	\$0.1	Cottage Grove Low Zone treatment plant amendment	\$0.2
Lake Elmo Well 2 O&M	\$0.6	Cimarron Park drinking water treatment system design amendment	\$0.02
Cottage Grove administration and communication	\$0.2	Cottage Grove planning and design for Well 10 decommissioning	\$0.06
Cottage Grove initial repayment on land acquisition	-\$0.3	Woodbury repayment from sale of land	-\$0.3

Total: \$16.1 million in awards and \$0.8 returned to Settlement

Anticipated awards remaining in fiscal year 2026

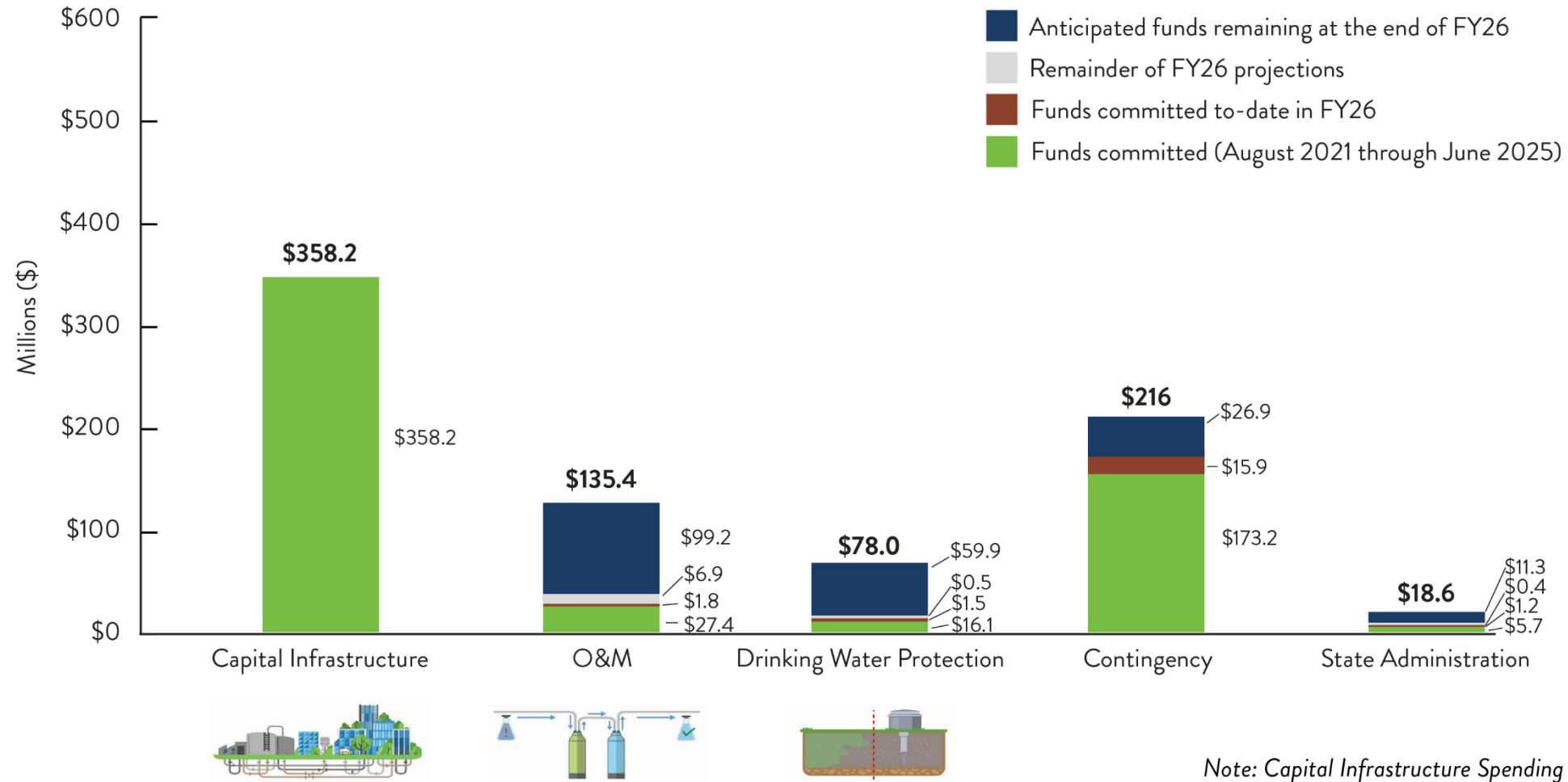
(April 2026 – June 2026)

Project name	\$M	Project name	\$M
Cimarron Park water treatment plant final design	\$0.8	Cottage Grove Intermediate Zone pipelines design	\$0.1
Eagle's Watch water treatment solution (inclusive of recent 30% design award)	\$3.2	Cottage Grove temporary treatment O&M	\$6.7
Oakdale water treatment plant expansion planning and design	\$1.6	Bay Lake Reserve O&M	\$0.6
Woodbury reduction due to difference between constructing 1 vs. 2 WTP	-\$6.5	Woodbury reduction to pipeline grant	-\$1.9
Total anticipated grants: \$13.6 million in awards and \$8.4 returned to Settlement*			

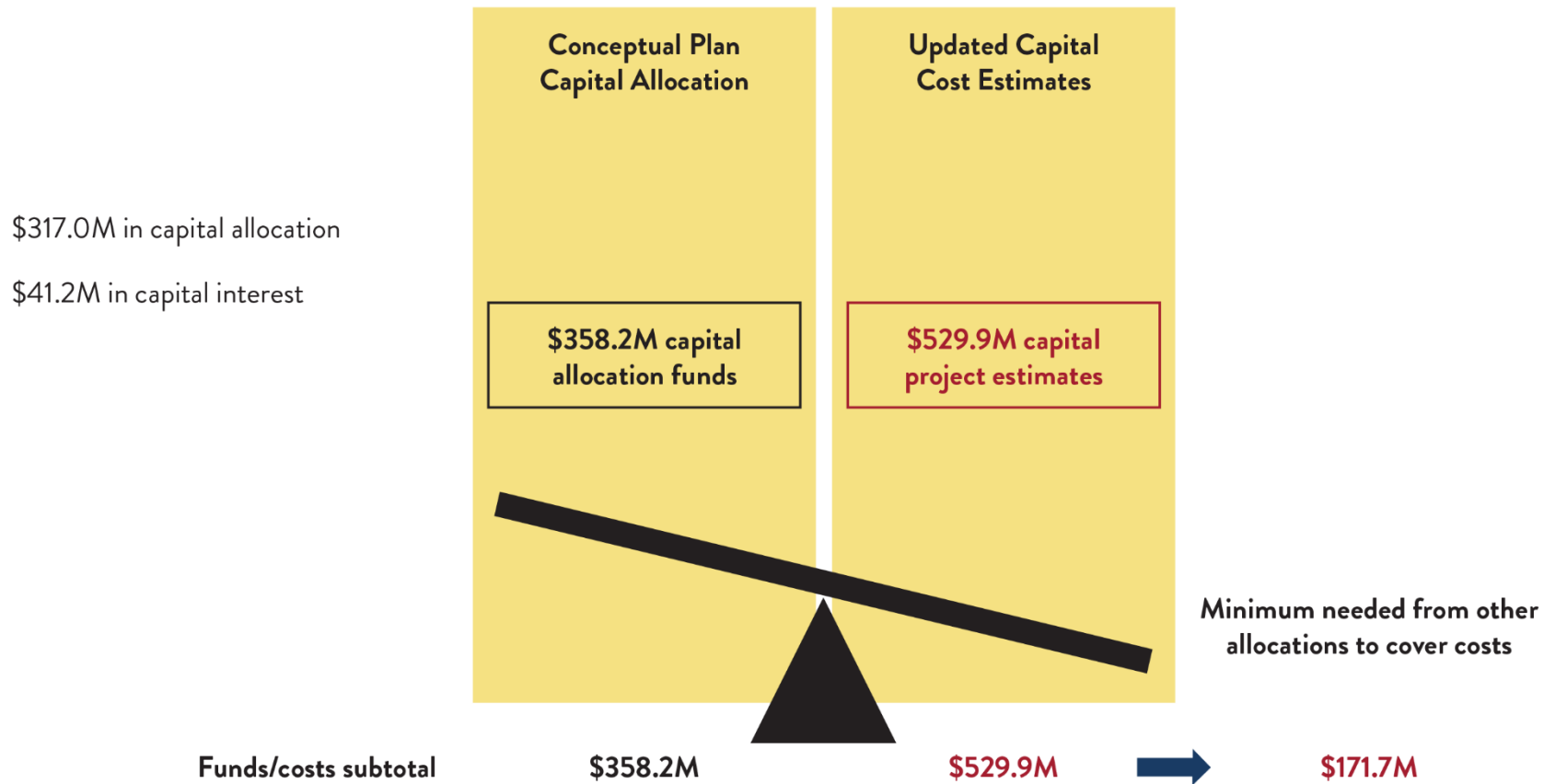
*Project costs are estimated based on information provided by the communities in the Annual Review survey. If no estimate was provided, we rely on internal best professional judgment. Project estimates are not the final award amounts.

Funds committed and projected through fiscal year 2026

(July 2025 – June 2026)



Capital allocation versus cost estimates through fiscal year 2026 (July 2025 through June 2026)



These are estimates for discussion purposes only

Capital and contingency allocations versus cost estimates through fiscal year 2026

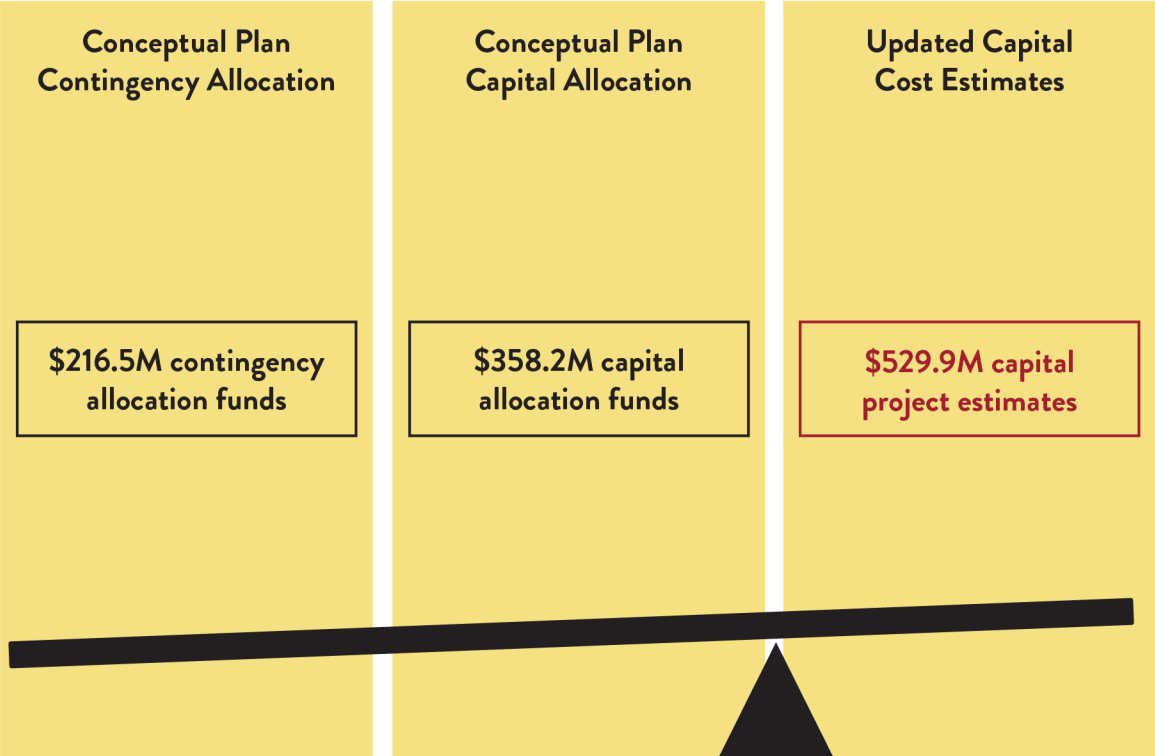
(July 2025 – June 2026)

\$183M in contingency allocation

\$33.5M in contingency interest (\$6.5M in FY26)

\$317M in capital allocation

\$41.2M in capital interest (\$4.2M in FY26)



Funds/costs subtotal

\$559.7M

\$529.9M

➡ No funds needed in FY2026 beyond Contingency and Capital

These are estimates for discussion purposes only

Fund reallocation discussion

- Based on current projections, a reallocation will likely not be needed in fiscal year 2026.

Reallocation approach **when needed**: The Co-Trustees intend to use funds from the Operations and Maintenance (O&M), drinking water protection, and state administration allocations to cover these additional expenses. The reallocations 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.

Fund reallocation discussion for fiscal year 2026

(July 2025 – June 2026)

Fund category	Total anticipated commitments FY26	Commitments above available funds	Contribution to capital	Funds remaining after FY26
Capital ⁱ	\$13,347,000	\$13,347,000	-	\$0
Contingency ⁱⁱ	\$0	-	\$13,347,000	\$29,487,000
Drinking Water Protection	\$2,007,000	-	-	\$59,910,000
O&M	\$8,773,000	-	-	\$99,247,000
State Administration	\$1,569,000	-	-	\$11,340,000
Sum	\$25,696,000	\$13,347,000	\$13,347,000	\$199,984,000

ⁱThe total FY26 commitments for capital projects include funds anticipated to be returned to the Settlement.

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

Anticipated capital projects after fiscal year 2026

(July 2026 and onward)

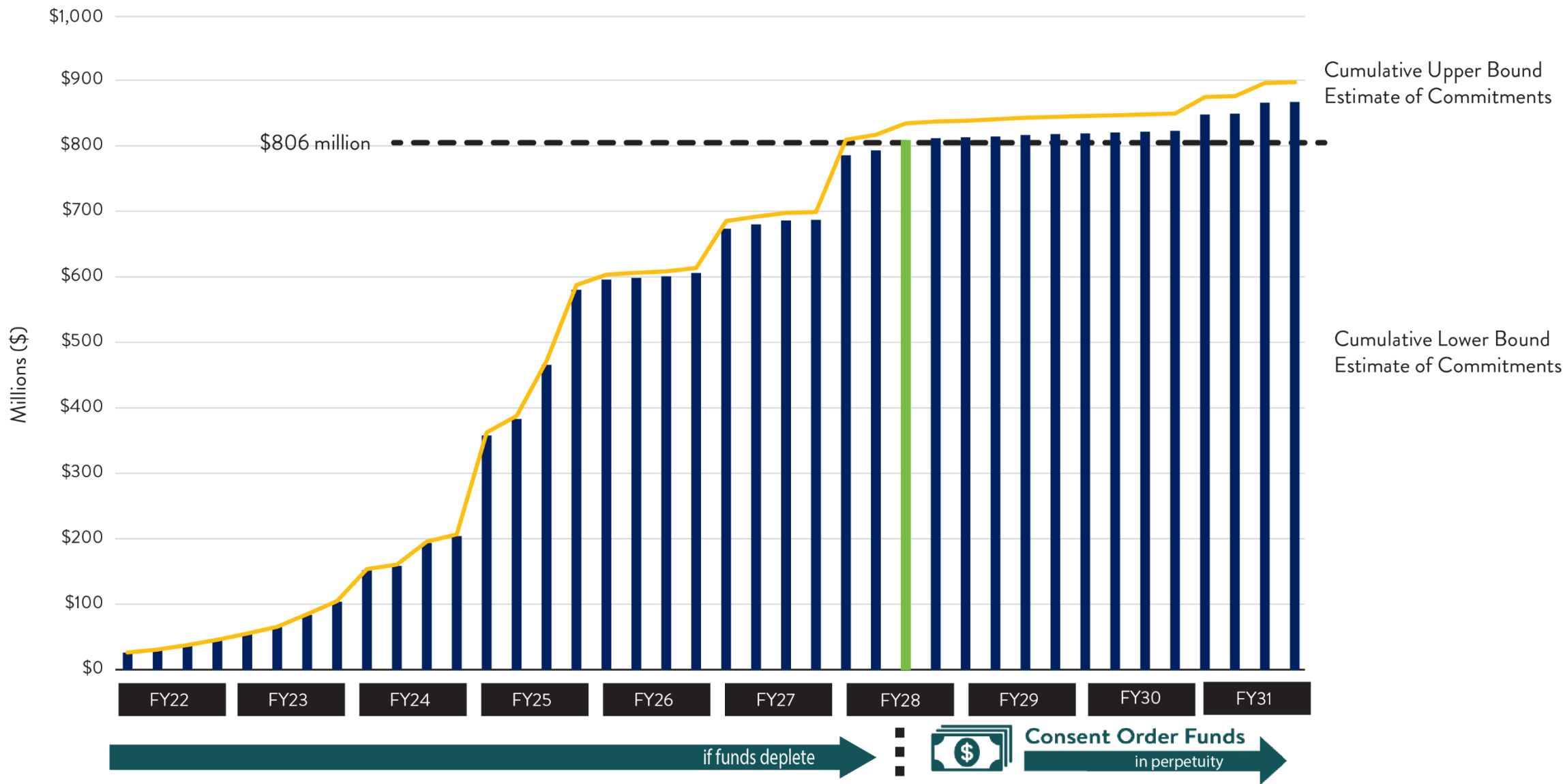
Grants	Estimated Grant (\$M)
Cimarron Park water treatment plant construction	\$9.2
Cottage Grove decommissioning of temporary treatment facilities	\$2.7
Cottage Grove Intermediate Zone pipeline construction	\$0.6
Cottage Grove returned funds to settlement for land sale	-\$1.3
Lake Elmo South Area water treatment plant/piping design and construction	\$50.7
Lake Elmo Wells 4 and 5 water treatment plant/piping design and construction	\$50.7
Lakeland residential well improvements and potential PFAS treatment (as needed based on sampling results)	\$10.9
Newport water treatment design and construction	\$6.0 - \$14.5
Oakdale water treatment plant construction, rehabilitation of existing treatment plants, well modifications, and drilling new wells	\$43.7
Oakdale sealing of wells	\$0.5 - \$0.1
Prairie Island water treatment plant	\$10.0
Woodbury decommissioning of temporary treatment	\$1.2

Transitioning to the 2007 Consent Order

Co-trustees' 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
- 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)
- Continued mediation with 3M

Discussion