

Minnesota 3M PFC Settlement

Priority 1 Criteria (Version 3)

March 30, 2019

Background

The State of Minnesota's 2018 Agreement and Order (Agreement) with 3M Company (3M) establishes the 3M Grant for Water Quality and Sustainability Fund (Grant). The Minnesota Pollution Control Agency (MPCA) and the Minnesota Department of Natural Resources (DNR) will use the Grant for projects that are reasonable and necessary to achieve the purposes of the Agreement, based on the following priorities:

1. First and highest priority: Enhance the quality, quantity, and sustainability of the drinking water in the East Metropolitan Area. The goal of this highest priority work is to ensure clean drinking water in sufficient supply to residents and businesses in the East Metropolitan Area to meet their current and future water needs. Examples of projects (not listed by preference) may include, but are not limited to, the development of alternative drinking water sources, the treatment of existing water supplies, water conservation and efficiency, open space acquisition (as related to drinking water supply), and groundwater recharge. For individual households, projects may include, but are not limited to, connecting those residences to municipal water supplies, providing individual treatment systems, or constructing new wells. In selecting and performing activities under this priority, the State will prioritize water supplies where health based values, health risk limits, and/or health risk indices for perfluorochemicals [PFCs, also referred to as per- and polyfluoroalkyl Substances (PFAS)] are exceeded.
2. Second highest priority: Restore and enhance aquatic resources, wildlife, habitat, fishing, resource improvement, and outdoor recreational opportunities in the East Metropolitan Area and in downstream areas of the Mississippi and St. Croix Rivers. Projects may include, but are not limited to, aquatic habitat and water resource protection and restoration, terrestrial and water trails, boat ramps and/or fishing piers, restoration of wildlife habitat, and other terrestrial conservation and recreation improvements. This priority will be addressed after the MPCA and the DNR have reasonably achieved the goal set forth under Priority 1, with the exception of up to \$20 million of the Grant funds to which the MPCA and the DNR have immediate access.
3. Third highest priority: Fund residual, statewide water resources, habitat restoration, open space preservation, recreation improvements, and other sustainability projects. This priority will only be addressed if any portion of the Grant remains after the MPCA and the DNR have reasonably achieved the goals set forth under Priorities 1 and 2.

Purpose

The purpose of this document is to provide criteria that will be used to screen and evaluate projects for funding from the Grant under Priority 1. First, screening criteria will be used to determine whether the proposed projects meet minimum standards of acceptability. To be deemed acceptable, a project must comply with all of the screening criteria. Second, projects that pass the screening criteria will then be assessed using a set of evaluation criteria.

The draft criteria presented in this document were developed to screen and evaluate projects aimed at improving drinking water supply and protecting and restoring groundwater given multiple options. While not captured specifically in the criteria below, the project evaluation will be structured in such a way to ensure the overall combination of projects will address clean drinking water across all of the affected communities in the East Metropolitan Area.

It is expected that drinking water supply projects and groundwater protection/restoration projects will be screened and evaluated separately. In addition, while the same screening and evaluation criteria will be used, some of the criteria may be evaluated differently for the two types of projects (as noted below).

A separate set of criteria will be developed for Priority 2 and, if necessary, Priority 3.

Screening Criteria

A list of draft screening criteria for drinking water supply and groundwater protection/restoration projects is provided below. All criteria must be met for further consideration of the project. (Criteria are numbered for reference only, not priority). Projects must:

1. Address drinking water supply and/or groundwater protection/restoration issues due to PFAS contamination in the East Metropolitan Area consistent with the Priority 1 of the Agreement.
2. Comply with applicable/relevant federal, state, tribal, and local laws, regulations, and rules (in some limited instances, projects that conflict with local regulations and rules can be considered if a reasonably achievable plan is provided to address these conflicts).
3. Be technically and administratively feasible.
4. Not jeopardize public health and/or safety.
5. Not negatively impact results of remediation under the 2007 Settlement Agreement and Consent Order (Consent Order) or other remedies addressing other sources of contamination.

Evaluation Criteria

A list of draft evaluation criteria for drinking water supply and groundwater protection/restoration projects is provided below. Projects will be evaluated against the following criteria. Projects do not have to meet all of the evaluation criteria – rather only relevant criteria will be used to evaluate projects. Additional guidance on how to apply the

criteria (e.g., scoring ranges, how to rank) and apply weights to criteria (if appropriate) will be developed at a later date. (Criteria are numbered for reference only, not priority).

Project Focus Criteria

1. For drinking water supply projects, projects that directly address water supplies where health based values, health risk limits, and/or health risk indices for PFAS are exceeded will be evaluated more favorably.
2. For groundwater protection/restoration projects, projects that are expected to directly or indirectly address water supplies where health based values, health risk limits, and/or health risk indices for PFAS are exceeded will be evaluated more favorably.

Project Implementation Criteria

3. **Has a high probability of success.** Projects with reliable methods/technologies known to have a high probability of success, even if they involve relatively new technologies, will be evaluated more favorably. Projects incorporating experimental methods, research, or unproven technologies will be evaluated less favorably.
4. **Has the potential to adapt to new technologies (if applicable).** Projects that are expected to be able to adapt to new technologies will be evaluated more favorably.
5. **Provides long-term benefits.** Projects that are expected to be sustained over the long-term, with reasonable operations and maintenance (O&M) costs, will be evaluated more favorably.
6. **Provides multiple benefits.** Projects that are likely to provide ancillary benefits (e.g., benefits to other natural resources or the environment, benefits to other communities) will be evaluated more favorably.
7. **Addresses future needs and conditions.** Projects that are expected to be able to address future water needs (e.g., population growth) and future unknown/uncertain conditions (e.g., new contaminants, movement of contaminants, changing health-based values, climate change impacts) will be evaluated more favorably.
8. **Has low risk of adverse impacts from remedial actions.** Projects that are unlikely to be undone or harmed by actions under the Consent Order or other known remedies addressing other sources of contamination will be evaluated more favorably.
9. **Has low risk of unintended adverse health impacts.** Projects that are unlikely to cause unintended adverse health impacts (e.g., release of lead from pipes associated with a change in corrosivity of a different water source, generation of disinfection byproducts from treatment of drinking water) will be evaluated more favorably.
10. **Minimizes adverse environmental impacts.** Projects that avoid or minimize adverse environmental impacts (e.g., increasing the movement of other contaminant plumes, causing additional contamination, causing physical harm to the environment) will be evaluated more favorably.
11. **Minimizes adverse social impacts.** Projects that avoid or minimize adverse social impacts (e.g., nuisance/noise/pollution impacts from the construction of a facility near residences, disproportionate impacts to disadvantaged communities) will be evaluated more favorably.

12. **Benefits can be measured for success.** Projects that can be reasonably monitored and have benefits that can be measured will be evaluated more favorably.

Cost Criteria

13. **Is cost-effective.** Projects that have a high ratio of expected benefits (e.g., reduction in PFAS, number of people impacted, increase in recharge to groundwater) compared to expected costs will be evaluated more favorably, all else being equal. Cost-effectiveness may be assessed relative to other projects of the same type or that benefit the same resources.
14. **Has reasonable long-term operation and maintenance (O&M) costs.** Projects with reasonable long-term O&M costs will be evaluated more favorably. Projects with high long-term O&M costs will be considered, but evaluated less favorably if those costs will need to be covered by the affected communities.
15. **Has appropriate cost sharing (if applicable).** Projects that only partially align with Priority 1 will be evaluated more favorably if they have appropriate cost sharing. Projects that fully align with Priority 1 are not expected to have cost sharing.

Other Criteria

16. **Would not otherwise occur.** Projects that are not already required or funded will be evaluated more favorably. Projects that could be partially or wholly covered under other funding mechanisms (e.g., normal government functions, permitting requirements) will be evaluated more favorably if appropriate cost sharing is included.
17. **Leverages funds or builds upon existing efforts.** Projects that have secured matching funds or are an expansion of an existing effort will be evaluated more favorably.
18. **Is consistent with regional planning (if applicable).** Projects that are consistent with relevant regional planning will be evaluated more favorably. Regional plans may include groundwater/stormwater/wastewater management, recreational improvement, other resource conservation/management, etc.
19. **Is consistent with local planning (if applicable).** Projects that are consistent with relevant local planning will be evaluated more favorably. Local plans may include county and city water management, comprehensive, zoning, development, etc.
20. **Is acceptable to the public.** Projects that are anticipated to meet a minimum level of public acceptance will be evaluated more favorably.