

Minnesota 3M PFC Settlement

Agenda for Government and 3M Working Group Meeting

Wednesday, May 15, 2019

9:00 a.m.-12:00 p.m.

Cottage Grove City Hall — Training Room

12800 Ravine Parkway South, Cottage Grove

Meeting Purpose:

- Achieve a common understanding of progress to date on Settlement activities
- Obtain work group input on long-term planning and cost implications
- Clearly identify next steps.

1. Welcome	Kirk Koudelka – MPCA Jess Richards – DNR Milt Thomas – MPCA	9:00 am
2. Updates and follow-up a. Liaison updates b. Email update follow-up c. Status of planning activities	Kirk Koudelka – MPCA Jess Richards – DNR Terill Hollweg – Abt Associates	
3. April meeting evaluation follow-up	Milt Thomas – MPCA	
4. Small group discussion and feedback on: a. Precautionary measures b. Operations and maintenance costs	Kirk Koudelka – MPCA Jess Richards – DNR Terill Hollweg – Abt Associates Milt Thomas – MPCA	
5. Public comments and questions	Milt Thomas – MPCA	10:55 am
6. Ten minute break		11:05 am
7. Process for proposing concept-level project ideas for the Conceptual Drinking Water Supply Plan	Terill Hollweg – Abt Associates	
8. Next steps: upcoming activities, tasks, future meetings, and agenda items to request	Terill Hollweg – Abt Associates Milt Thomas – MPCA	
9. Public comments and questions	Milt Thomas – MPCA	11:50 am

**Minnesota 3M PFC Settlement
Government and 3M Working Group Meeting
May 15, 2019 Meeting Notes**

Group members in attendance:

Kevin Chapdelaine	Daniel Kylo
Jeff Dionisopoulos	Ron Moorse
Bart Fischer	David Patton
Clint Gridley	Jess Richards
Kristina Handt	Robin Roland
Chris Hartzell	Monica Stiglich
Lowell Johnson	Jessica Stolle
Kirk Koudelka	Kevin Walsh

Presenters:

- Kirk Koudelka, Minnesota Pollution Control Agency (MPCA)
- Jess Richards, Minnesota Department of Natural Resources (DNR)
- Terill Hollweg, Abt Associates (Abt)
- Milt Thomas, facilitator, MPCA

Welcome and Updates

Jess Richards (DNR) and Kirk Koudelka (MPCA) welcomed the work group.

Liaison updates

Monica Stiglich and Kevin Chapdelaine (liaisons) provided a report-out from the previous day's Citizen-Business Group meeting, including:

- The Citizen-Business Group requested an update on Subgroup 1 activities and progress
- The Citizen-Business Group requested information on PFAS health-based values used by other states
- Concerns were raised in the Citizen-Business Group that private wells were not being adequately considered, and that the focus was only on municipal wells.

Monica also noted that three members of the Bavarian Environmental Ministry visited Oakdale last week to understand PFAS water treatment and the citizen participation process.

Email updates and follow-up

Jess Richards (DNR) noted that the Co-Trustees (MPCA and DNR) are trying a new approach for providing updates to the work groups via email rather than at the meetings. Work group members were asked if they had any follow-up questions about the updates. No members had questions, but agreed it was very helpful to have these updates in writing.

Status of planning activities

Terill Hollweg (Abt) reviewed the project timeline. Upcoming planning activities were grouped into two categories:

- Expedited projects. The application window for projects was opened on April 10th and will close on May 25th. The State (MPCA and DNR), work groups, and Subgroup 1 will be provided the project applications for review and feedback in early June with time to discuss the projects at the June meetings. Final funding decisions will be made by early July and shared at the July meetings. The State will then begin setting up funding agreements for the approved projects.
- Conceptual Drinking Water Supply Plan (CDWSP). Model development has been initiated and a general list of water supply improvement options have been identified. The next step is to work through the water supply improvement options for individual communities and start identifying concept-level projects, which was discussed at today's meeting. Once concept-level projects have been identified, these will be grouped into scenarios and evaluated using the model. Future work will be coordinated with the work groups and Subgroup 1. This work will be pulled together in the draft plan by the end of the year.

The work group was reminded of the upcoming Local Government Unit (LGU) meeting on May 29th.

April Meeting Evaluation Follow-up

Milt Thomas (MPCA) provided a summary of the work group feedback from the April meeting evaluation survey.

Some areas for improvement (indicated by lower scores) include the effectiveness of meetings, clear identification of next steps, and effective pace. As part of the response, the Co-Trustees decided to shorten the updates at the beginning of the meetings, and instead use email updates. Future meetings will build in more group interaction. In addition, an effort will be made to call out and clarify next steps at the end of each meeting.

A work group member asked about the criteria and decision-making process for evaluating and selecting projects for inclusion in the Conceptual Drinking Water Supply Plan. Kirk clarified that the documents describing the criteria and goals were developed with input from the work groups, which are on the website. It was suggested to include time on a future agenda to revisit the criteria and discuss the decision-making process.

Small Group Discussion and Feedback

Terill Hollweg (Abt) and Milt Thomas (MPCA) facilitated small group break-out discussions on two general topics:

1. Precautionary measures
 - a. What potential future issues do we need to consider?
 - b. What can we do now to address potential problems in the future?
2. Contingencies and Operations and Maintenance (O&M) costs
 - a. Should money be set aside for contingencies?
 - b. Should grant money be set aside to cover long-term O&M costs?
 - c. Should some of the O&M costs be covered by communities? How much?
 - d. Do we prioritize projects with high capital costs and low O&M costs?

Precautionary measures

The work group discussed a range of future issues that should be considered, including:

- Potential future changes in health-based values and acceptable treatment levels
- New information on PFAS and treatment technologies

- Plume movement, rate of migration, and uncertainty
- Future funding sources
- The lifespan of the infrastructure
- Future water use/demand
- Regional contaminant transport and protection of currently unaffected areas.

The work group also identified potential things that could be done now to address future issues, including:

- Study and compare health-based values for other states
- Recharge/replenish aquifer systems
- Protect currently unaffected areas
- Invest in research to understand PFAS effects and treatment options
- Add additional groundwater monitoring wells
- Set up an endowment
- Conduct outreach/education to improve public confidence in water supplies
- Consider interconnects between communities to improve resiliency and increase flexibility.

Contingencies and operations and maintenance costs

The small groups generally agreed that money should be set aside for contingencies, and that any set-aside funds should take advantage of earning interest. The work group members also agreed that it is hard to know what amount or percentage should be set aside at this time. There was also a question raised about who would hold the money (e.g., the State, a Joint Powers Agreement, communities).

In regards to O&M, there was some disagreement about whether communities should cover some of the O&M costs. Some members suggested that only O&M costs related to PFAS contamination should be covered under the Grant.

Some of the small groups agreed that there should be a focus on high capital, low O&M projects. A suggestion was made to cover O&M for the life of the asset that is being built. It was also suggested to consider both capital and O&M to determine the total project cost. Another suggestion was made to conduct a financial analysis of current community infrastructure to estimate future O&M costs. For example, the Oakdale treatment system could provide one example of reasonable costs. This could also help provide an estimate of how much money should be set aside for O&M.

Perspectives from financial assurance for mining projects in MN

Jess Richards (DNR) noted that many of the issues discussed today are similar to those DNR has been dealing with related to financial assurance for mining projects. He discussed developing an understanding of long-term costs, including an itemized list of costs for O&M, equipment and building maintenance, and recapitalization. He also discussed adding a contingency factor to cover unanticipated cost overruns, or in this case, issues like uncertainty in drinking water criteria/thresholds. He also mentioned using a conservative rate for the expected performance of an endowment or trust fund. This allows an estimate of the annualized amount you need to generate from an endowment or trust for the future.

Public Comments and Questions

Members of the public were given the opportunity to ask questions.

A work group member expressed concerns about public confidence in the water supply, and wanting to be able to say we are using the best technology to provide the safest water possible. MDH provided some perspective on the idea of public confidence in the water supply, and the challenges of communicating these concepts to the public. It was noted that there is no such thing as water that provides “zero” health risk, and the goal is to minimize health risk as much as feasible.

There was a discussion about considering plume control, and understanding if there are ways to better control the movement. This is one of the goals of the Project 1007 evaluation.

Process for Proposing Concept-Level Project Ideas for the CDWSP

Terill Hollweg (Abt) discussed the process for identifying concept-level projects. She noted that the work groups and Subgroup 1 have developed an initial list of water supply improvement options for consideration in the CDWSP. She then provided some examples of how a water supply improvement option could lead to a concept-level project, such as including more detail on location, treatment, project components, etc.

Concept-level projects will be obtained from Subgroup 1, the Government and 3M Working Group, the Citizen-Business Group, and the public. As a next step, Wood will coordinate with Subgroup 1 members to identify an initial list of concept-level projects. The work group members are encouraged to work with their Subgroup 1 members to make sure ideas are captured. Wood will also be evaluating potential conflicts, proposing solutions for unaddressed areas, and looking for inter-community solution opportunities. The initial list of potential concept-level projects will be shared with the work groups and Subgroup 1 for review, and then subsets of projects will be packaged into scenarios for model evaluation.

Next Steps

Terill Hollweg (Abt) revisited upcoming meetings and next steps.

The next Government and 3M Working Group meeting will be held on June 19th .

Next steps include:

- Expedited projects
 - Expedited project applications close May 25th.
 - In early June, the work group members will be given a package of expedited applications to review and a form to provide feedback. Time will be reserved at the June meeting for discussion.
 - MPCA and DNR anticipate making final funding decisions in early July.
- Conceptual Drinking Water Supply Plan
 - Work group members are encouraged to work with their Subgroup 1 members to identify concept-level projects (May/June).
 - The initial list of concept-level projects will be shared with the work groups for review and input (anticipated in July).

The work group members were asked if they had requests for upcoming agenda items. Topics that were raised include:

- Update on Project 1007
- Criteria document review

- Summary of different PFAS health-based values in other states. As a resource, Wood mentioned the Interstate Technology & Regulatory Council (ITRC) website has a list of all values across the U.S. A link to the website will be distributed.

Public Comments and Questions

Members of the public were given the opportunity to ask questions. No questions or comments were offered at this time.

Liaison report - 5/15/19

3M/Government Group's May meeting report to the Citizen Business Group

2c] Status of planning activities – A question was asked, what is the criteria the state agencies will use to make project and funding decisions? The agencies answer is, the policy and criteria documents the two working groups worked on together and approved in late 2018 will be the criteria used by the agencies for making all decisions moving forward. These documents are on the websites for review.

4ab] Small group discussion and feedback – Questions and concerns were raised about the political ramifications of providing clean drinking water to the public. Will the public have confidence that the water provided from the new system is safe? And remain safe? MDH reported that “drinking water with zero health risks does not exist”. It will take comprehensive public education on these new systems to grow confidence over time.

Can you control or treat the plume so groundwater may be used for drinking water with out PFAS treatment? Studies are being done with some initial success but much work remains.

Long discussion about the need for setting aside monies for long term capital and O&M costs. How much should be set aside? What would be covered? Municipal vs Private systems? Should the state hold/invest this money for the long term or should the cities each receive “their share” to use as they see fit? What would be covered costs? Total systems or just the PFAS protection components? This discussion will continue.

The agencies mentioned the importance of “Raidproofing” any set aside monies to assure the availability of funds in the future when needed. The Settlement has these protections in place now but any set aside money would need to re-create similar protections.

Respectfully submitted,

Kevin Chapdelaine