

The Settlement Agreement and the Consent Order: Covering project costs over time

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3M PFC Settlement, Work Group Meetings

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Overview:

- The 2007 Settlement Agreement and Consent Order (the “Consent Order”) is different from the 2018 NRDA Settlement Agreement (the “Settlement”)
- Addressing questions during previous meetings, this presentation aims to clarify what is covered by the Consent Order versus the Settlement
- Once the Settlement funds are depleted, the Consent Order kicks in covering wells with an HI =>1

2007 Consent Order

Under the Consent Order, 3M is responsible for releases of PFAS from three disposal sites in Washington County (3M Oakdale, 3M Woodbury, 3M Cottage Grove). Part VIII.B. of the 2007 Consent Order provides that:

- “3M’s response action obligations...include all response actions, including construction, installation, replacement, and operation and maintenance, that are reasonable and necessary to provide alternative sources of drinking water for all persons whose drinking water is contaminated with PFCs in a concentration that exceeds an HBV or HRL issued or adopted by the Minnesota Department of Health, including water containing two or more PFCs for which HBVs or HRLs have been adopted if the combined PFC levels exceed a Hazard Index of 1.0 based on those HBVs or HRLs and MDH has issued an advisory against human consumption of the water.”

Therefore, 3M is obligated to provide an alternative source of drinking water supply when levels of PFAS are above MDH criteria in any drinking supply where contamination is linked back to one of the 3M disposal sites.

2007 Consent Order (continued)

The Consent Order Covers:

- Treatment capital costs and O&M on individual residential and municipal wells when a well advisory has been issued (HI => 1) as a result of PFAS releases from a 3M PFAS disposal site
- MPCA staff costs to oversee remediation related to the 3M disposal sites
- Contractor costs to provide technical assistance to MPCA including well sampling
- Sampling and lab costs for residential wells related to PFAS releases
- Bottled water for well advisory residences
- Response actions implemented to address PFAS releases at or from the 3M PFAS disposal sites

Settlement Funds

The Settlement funds are to cover:

- Design and construction of long- term regional and local drinking water treatment systems and wells
- Design and construction to connect of individual wells to city water supply systems or individual home treatment systems
- Costs to conduct a source water assessment and feasibility study of Project 1007
- Contractor costs associated with implementation of working groups and associated MPCA, DNR, and MDH staffing related to these activities
- Priority 1 and Priority 2 projects as determined to be eligible by the Co-Trustees

Settlement Funds – Project 1007

- Priority One - the MPCA *shall* conduct a source water assessment and feasibility study regarding the conveyance of PFAS in the environment
 - Nature of PFAS impacts to groundwater, surface water, soil and sediments along the Project 1007 corridor
 - Identification and evaluation of reasonable cost-effective mitigation measures, such as groundwater controls/multi-benefit wells, surface water treatment, sediment removal, etc.
 - MPCA evaluating potential interim and long-term actions
- Planned status update of Project 1007 at December workgroup meetings
 - Site specific surface water criteria for PFOS, ecological risk evaluation

Settlement Agreement - Paragraph 19

- 2007 Consent Order -remains in place
 - 3M is obligated for ongoing implementation of remedy for each of the three 3M PFAS disposal sites
 - MPCA has directed 3M to conduct additional evaluation of PFAS impacts to surface water at the 3M Oakdale site
- 3M to provide up to \$40 million for "temporary" measures for SACO actions over the first 5 years of settlement agreement
 - Includes, but not limited to, bottled water, temporary municipal treatment systems (e.g. Cottage Grove), or home treatment systems that can be cost effectively connected to a public supply within 5 years
- Other than site specific remedy implementation and the temporary measures for the first five years, "the 3M Grant *shall* fund future projects that would have been payable under the SACO"

Post Settlement Funds

- When Settlement Funds are depleted,
 - Capital and O&M costs for public and private wells with an HI ≥ 1 (i.e., MDH Well Advisory) will then be covered by terms of the Consent Order.
 - Capital and O&M costs for wells with HI < 1 (no Well Advisory) will not be covered by the Consent Order and will be covered by communities and/or individual homeowners

Timelines for drinking water and groundwater solutions

Minnesota 3M PFC Settlement

