

Minnesota 3M PFC Settlement
 Agenda for Government and 3M Working Group Meeting

Wednesday, October 21, 2020
 9:00 AM-12:00 PM

Webex link: [Join Webex meeting](#)

(If using Webex, we request that you connect to the audio using your phone rather than the computer, and use the “Call me” option. Please refer to the Webex instructions for more information.)

Conference line (if not using the Webex “Call me” option): 1-415-655-0002; Access code: 171 330 6983#

Meeting Purpose:

- Clarify details about the recommended options and achieve a common understanding of how Co-Trustees arrived at the recommendations described in the Draft Conceptual Plan
- Discuss feedback received so far and continue to gather feedback on the recommended options and the supporting documentation
- Clearly identify next steps and the path forward to finalize the Conceptual Plan

1. Welcome a. Webex instructions b. Roll call c. Agenda d. Updates and email follow-up e. Liaison report(s)	Kirk Koudelka – MPCA Jess Richards – DNR Heather Hosterman – Abt Associates Mark Lorie – Abt Associates	9:00 AM
2. Recommended option details a. Treatment thresholds and how it relates to municipal and private wells receiving treatment b. Neighborhood municipal connections	Kirk Koudelka – MPCA Jess Richards – DNR Hannah Albertus-Benham, Wood	
3. Settlement cost allocations and impacts on communities a. Co-Trustee water rate study b. O&M durations in the recommended options	Mark Lorie – Abt Associates	
4. Public comments and questions	Mark Lorie – Abt Associates	10:20 AM
BREAK	N/A	10:30 AM
5. Recommended cost allocations: rationale and example project concepts for each category a. Sustainability and conservation b. Drinking water protection c. State administration	Kirk Koudelka – MPCA Jess Richards – DNR Mark Lorie – Abt Associates	10:40 AM
6. Feedback and discussion on the draft recommended options	Kirk Koudelka – MPCA Jess Richards – DNR Mark Lorie – Abt Associates	

7. Next steps	Kirk Koudelka – MPCA Jess Richards – DNR Mark Lorie – Abt Associates	
8. Public comments and questions	Mark Lorie – Abt Associates	11:50 AM
ADJOURN		12:00 Noon

Minnesota 3M PFC Settlement

Notes for Government and 3M Working Group Meeting

Wednesday, October 21, 2020

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

Virtual WebEx Meeting

Group members in attendance:

Chris Hartzell	Christina Volkers
Clint Gridley	Jeff Dionisopoulos
Jennifer Levitt	Jess Richards
Jessica Stolle	Jim Kotsmith
Kathryn Sather	Kevin Chapdelaine
Kirk Koudelka	Kristina Handt
Lowell Johnson	Monica Stiglich
Paul Reinke	Ron Moore
Steven Colvin	

Presenters:

- Kirk Koudelka, Minnesota Pollution Control Agency (MPCA)
- Jess Richards, Minnesota Department of Natural Resources (DNR)
- Emma Glidden-Lyon, Abt Associates
- Mark Lorie, Abt Associates
- Hannah Albertus-Benham, Wood

Welcome

Emma Glidden-Lyon (Abt Associates) welcomed the work group. Mark Lorie (Abt Associates) reviewed the meeting agenda and Citizen-Business Group liaisons provided a report from yesterday's Citizen-Business meeting. Key topics included:

- Discussion about the choices neighborhoods and citizens have to hook up to a municipal system. Government bodies will have guidance available in the future.
- The recent health article published on PFAS health impacts in the area. There was discussion about having another presentation on PFAS health impacts.
- A lot of members advocating for trying to treat all public wells.
- Discussion about funding allocations for sustainability and drinking water. Some work group members feel the amount is too high and do not want to duplicate efforts being done by other organizations. There was discussion about whether the State would fund other projects or implement projects themselves.
- Discussion on social equity and a concern that all residents would be paying the same rate even if their water was not treated.

- Confusion about what the Consent Order covers versus the Settlement. This will need to be discussed in more detail moving forward.

Kirk Koudelka (MPCA) announced that the public comment period has been extended to December 10, 2020. The State agencies will continue running various social media campaigns to raise awareness and increase the number of responses. Comments after the 10th will still be considered as the Co-Trustees will need to have continued conversation with communities. Jess Richards (DNR) reminded work group members to look at the Settlement in a holistic way while discussing funding allocations instead of focusing one aspect of the Settlement at a time. More money for one funding allocation means less money for another.

Recommended option details

Hannah Albertus-Benham (Wood) presented on Health Index (HI) treatment thresholds and how it relates to municipal and private wells receiving treatment and on neighborhood municipal connections. Key points include:

- The Health Index (HI) determines which wells receive treatment; it is not a treatment standard
- The Settlement has planned granular activated carbon (GAC) for wells that are above the HI thresholds in the recommended options (HI>0.5 for Options 1 and 3; HI>0.3 for Option 2)
- Some wells will be treated even if they are not above the HI level because of their proximity to affected wells and to meet operational needs of the well field (e.g., the Tamarac Well Field)
- The Minnesota Department of Health (MDH) will continue to issue well advisories when HI=1 or greater

Throughout all of the options, there are 2062 homes being connected to municipal systems and 61 homes that receive point of entry treatment systems (POETS) instead.

Feedback:

Members of the work group appreciated these details but were concerned about how to communicate them to community members. One work group member expressed support for an HI of 0.3 because it would increase the public's confidence in their water system. It could be problematic to explain to the public why some wells have been treated and others are not. Others also preferred an HI of 0.3.

One work group member suggested that the work groups and agencies had focused too much on treatment and not enough on restoring natural resources. It would create more equity to clean the groundwater sources, not treat at the tap. Jess assured the group no decisions were set in stone and there was still room to address contamination in groundwater.

One work group member suggested funding levels relative to the HI to create a more resilient system as the plume moves. There would be full participation in treatment at HI levels above 0.3 or 0.5 and then areas below those thresholds could receive partial funding to address water contamination. This would incentivize communities even with a lower HI value to treat their water.

Hannah then presented on neighborhood hookups and how the Co-Trustees determined which homes that are currently on private wells would be connected now versus later. All neighborhoods were evaluated independently meaning the Co-Trustees did not compare neighborhoods with one another. There are two options for private well owners:

- POETS – Settlement eligible costs include treatment system installation (approx. \$2500) and annual O&M (approx. \$1000)
- Municipal system connection – Settlement eligible costs include connection to home (approx. \$2500), cost per linear foot of water main, and well sealing (approx. \$2000).

The Co-Trustees recommend neighborhoods be connected to the municipal system if they currently have a large number of wells with elevated HI levels and if the costs of water mains and connections are less than the cost of POETS after a reasonable amount of time. Each neighborhood was reviewed and placed into one of three hookup categories:

- 1) Yes – neighborhood proposed to be hooked up as part of initial implementation.
- 2) To be determined (TBD) – neighborhood proposed to potentially be hooked up later after additional testing
- 3) No – neighborhood not proposed to be hooked up

Wood estimated \$41 million would be needed to hook up neighborhoods in the future. This is separate from the general Settlement contingency fund. The \$41 million is the same for each recommended option. Hannah walked through some examples of neighborhood hookup decisions:

- Cottage Grove: Three example neighborhoods (Goodview Ave, Harkness Ave, and Point Douglas Road) are all being connected to the municipal system. The Keats Ave neighborhood is to be determined because Wood still needs to test wells in that area.
- Lake Elmo: The Homestead neighborhood is being connected to a municipal system because of the proximity of its wells and HI levels. Tartan Meadows is to be determined because the wells are spread farther apart and more well testing is needed. Hannah clarified additional tests have been done here, but are not yet reflected in the data.

The work group then discussed plans for West Lakeland. Kirk explained that West Lakeland is different because the recommended new water system has a high per capita cost. However, it's not accurate to simply compare communities in terms of per capita cost because they have different water system needs. The options for West Lakeland are to keep everyone on POETS or move to a municipal system. In West Lakeland, there were 300 wells sampled since Wood last analyzed the data. More sampling shows that West Lakeland has expansive PFAS impacts and no municipal system to fall back on. Hannah detailed the cost differences between installing POETS versus establishing a new municipal system for West Lakeland. Data shows that, when considering HI values, the cost of POETS will exceed eligible costs of the municipal system after 78 years.

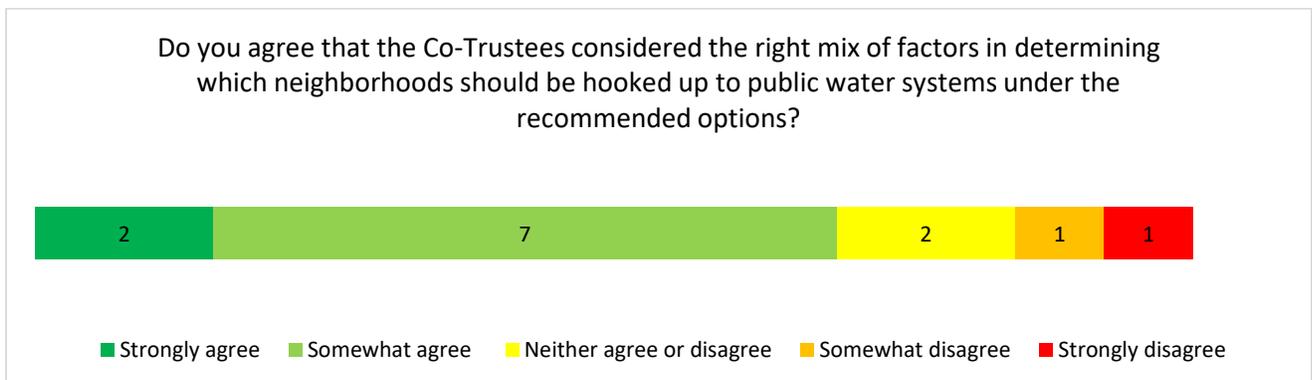
Feedback:

Work group members asked about the expected well sampling timeframe. Gary Krueger (MPCA) said that they would continue to sample in areas lacking data, but they do not have a set timeframe. Representative from MDH reminded work group members that they are only allowed to sample wells when they have been given permission. Many people either do not respond to requests to sample their well or say no. Kirk explained that the lack of a specific timeframe was one reason they set aside the \$41 million. That way the Plan can move forward even if all of the sampling is not complete. Wood is in the process of updating the Plan with new sampling data.

One work group member asked how residents are supposed to choose a POET or municipal hookup. Another work group member agreed that residents were lacking information. They said getting information to the community was the biggest challenge at the moment given they cannot hold in-person public meetings due to COVID.

One work group member pointed out that Wood's estimate did not include costs for building in special well boring and construction areas.

To conclude the presentation, Hannah asked a poll question to the work group members. The results are as follows:



Public comments and questions

There were no questions or comments from the public at this time.

Recommended cost allocations: rationale and example project concepts for each category

Mark presented on recommended costs allocation for sustainability and conservation, drinking water protection, and state administration. The Co-Trustees feel that sustainability and conservation and drinking water protection very much address Priority 1 goals, which include protecting drinking water quality, quantity, and sustainability.

Mark walked through some example projects under each funding allocation. The implementation of these projects would hopefully reduce the need for treatment in the future. Projects to address water quality at the source include targeted sediment removal in Project 1007 area to reduce regional groundwater contamination; treating contaminated surface water to minimize contributions to additional groundwater/drinking water contamination; and develop multi-benefit wells (pump and

treat) in targeted area to control plume movement and explore possibility of municipal or industrial use of treated water. Projects to address sustainability and conservation include grants to support efficient home appliances, use of treated groundwater to recharge aquifers, select stormwater management projects for aquifer recharge, land acquisition to preserve groundwater recharge areas, and incorporating sustainability measures into drinking water infrastructure projects.

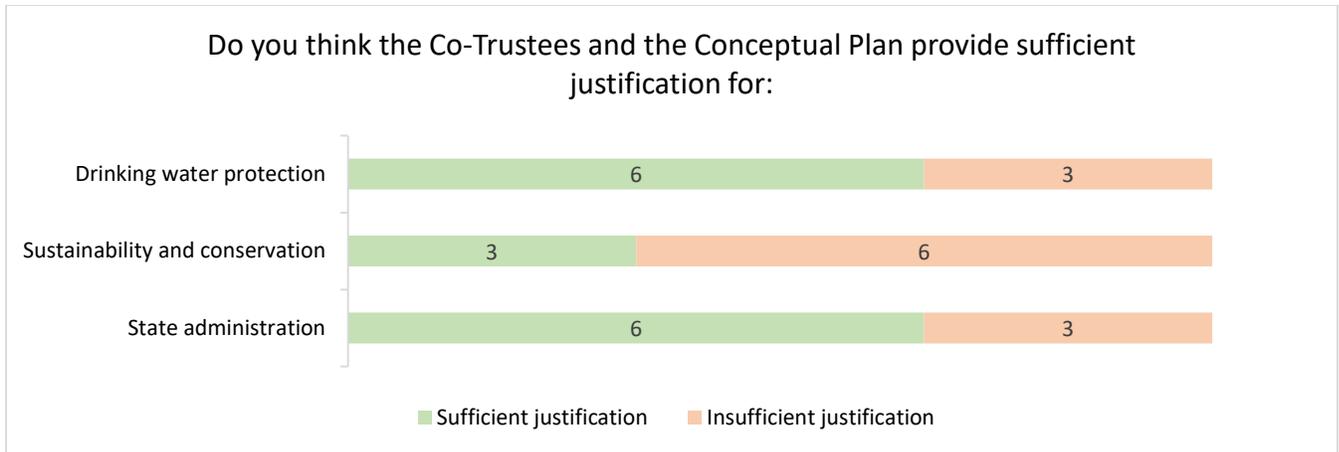
Feedback:

One work group member asked how the Co-Trustees reached \$70 million for sustainability. Kirk explained that AECOM did a high-level estimate of what might be needed. It represents approximately 10 percent of the Priority 1 funds. The goal is that investing in sustainability and conservation will require less treatment in the future. The work group member also asked how the drinking water protection funds relate to the contamination clean up at the disposal sites required under the Consent Order. Kirk explained that these projects are further away from the disposal sites. Project 1007 has already shown that contamination has moved from the disposal sites and has created hotspots. The work group member asked for resources (particularly a graphic) that shows what the Consent Order covers and what the Settlement funds cover. Kirk explained that the Co-Trustees could provide a graphic even though there are a few items still in dispute between 3M and the State (e.g., temporary treatment costs).

Another work group member asked if they could hear from AECOM in a future meeting about what they expect the \$70 million to accomplish. What is the return on investment? What is the expected impact on future treatment? Some work group members expressed support for these funding allocations if it meant less treatment in the future.

Work group members emphasized they did not want the Settlement fund to duplicate sustainability or groundwater protection measures already in place. The State and Subgroup 2 should work with watershed conservation districts that are already doing similar work. Kirk reiterated the State would be funding projects and probably would not be doing their own project implementation. Some work group members shared potential project ideas including repurposing treated water that is currently put into the Mississippi River to recharge aquifers. Another idea was a robust water education campaign that highlights what the Settlement has accomplished and encourages residents to conserve water.

To conclude the presentation, Mark asked the work group members a poll question. The results were as follows:



O&M funding and Co-Trustee Water Rate Study

Mark presented background on the ongoing water rate study. Because the Settlement funds are limited, the communities will bear some of the O&M costs early on and additional O&M when the Settlement funds run out. The goal of the rate study is to estimate how the Conceptual Plan may affect community costs, water rates, and typical household water bills in the future. For each community, the rate study will produce three results:

- Change in median household water bill, showing increases at each phase
- Percent increase in median household water bill
- Increase in household water bill compared to income

Mark also presented on the O&M durations in the recommended options. The recommended options prioritize O&M for POETS for at least 100 years. That duration does not vary across the options, but the dollar amount does because the number of POETS varies. The O&M funding and duration for public water systems change across the recommended options. Cost to maintain a private well and POETS would total about \$1540 per year (\$1000 for the POETS and \$540 annualized cost of the private well). Typical household water bills for those hooked up to public water systems is about \$100-\$500 (for average water users). Covering O&M for the POETS would bring private wells cost to the homeowner in line with public water bills.

Feedback:

One member said it would be helpful to get information in advance of the next work group meeting. Mark said there may be a special briefing before the November meetings on the rate study.

One work group member asked Wood to conduct a more individual community cost comparison. They said residents in their communities pay more than \$1540 for private wells if they have larger lots. Mark explained these costs are for median water use and would not account for larger lots with lots of irrigation. He said they used a peaking factor in the rate study analysis and could try to look at larger users.

One work group member asked if there was a way to do a “soft landing” approach as the Settlement runs out of money for O&M. They do not want the funding to suddenly drop off completely at the end of the allocated O&M duration and funding amount. Communities will need to ramp up their own finances to pay for O&M as the Settlement funds ramp down. Mark and others from the agencies said they could look at a warning plan that warns residents at 10 years, 5 years, etc.

Another work group member noted that this meeting brought to light the importance of sustainability and how that might change O&M moving forward if less treatment is needed. She recommended this be a future agenda item in more detail as it helps the communities plan for the future.

Feedback and discussion on the draft recommended options

Mark reviewed next steps. Work group members were asked to fill out their feedback spreadsheet and email it to pfcinfo.pfc@state.mn.us by December 10, 2020. Over the next couple of months, the Co-Trustees will gather feedback, hold working sessions to incorporate feedback and update the recommended options as needed, finalize the plan, and draft Chapter 8 documenting their final decision. The Government-3M Work Group will have their next meeting on November 18, 2020 from 9 – 12 PM CST. Work group members are encouraged to send ideas for agenda items they would like to discuss.

Public comments and questions

There were no questions or comments from the public at this time.