

Minnesota 3M PFC Settlement
 Agenda for Citizen-Business Group Meeting

Tuesday, September 15, 2020
 1:00 p.m.- 4:00 p.m.

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: 171 206 5517#

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
- Begin to gather feedback on the recommended options and the supporting documentation
- Clearly identify next steps and the path forward for finalizing the CDWSP

1. Welcome a. Webex instructions b. Roll call c. Agenda d. Updates and email follow-up	Kirk Koudelka – MPCA Jess Richards – DNR Heather Hosterman – Abt Associates Milt Thomas – MPCA	1:00 p.m.
2. Update on the process a. Developing the recommendations b. Work groups, community, and public input c. Finalizing the Conceptual Plan	Kirk Koudelka – MPCA Jess Richards – DNR Mark Lorie – Abt Associates	
3. Review the recommended options a. Overview of the recommended options b. Background on the funding categories and overview of the recommended allocations c. Determining HI thresholds for recommended options	Kirk Koudelka – MPCA Jess Richards – DNR Mark Lorie – Abt Associates Hannah Albertus-Benham – Wood	
4. Public comments and questions	Mark Lorie – Abt Associates Milt Thomas – MPCA	2:20 p.m.
BREAK	N/A	2:30 p.m.
5. Recommended options details a. Ineligible costs b. Addressing White Bear Lake c. Neighborhood connections d. Particle tracking and contingency	Kirk Koudelka – MPCA Jess Richards – DNR Hannah Albertus-Benham – Wood	2:40 p.m.
6. Next steps	Kirk Koudelka – MPCA Jess Richards – DNR Mark Lorie – Abt Associates	
7. Public comments and questions	Milt Thomas – MPCA	3:50 p.m.
ADJOURN	N/A	4:00 p.m.

Minnesota 3M PFC Settlement
Notes from the Citizen – Business Group Meeting

Tuesday, September 15, 2020
1:00 p.m. – 4:00 p.m.
Virtual WebEx Meeting

Group members in attendance:

Amy Schall	Barbara Ronnigen
Bob Fossum	Dave Schulenberg
David Filipiak	Jeff Holtz
Jess Richards	Julie Bunn
Kathryn Sather	Katie Johnston-Goodstar
Kevin Chapdelaine	Kirk Koudelka
Mark Jenkins	Michael Madigan
Monica Stiglich	Steven Colvin

Presenters:

- Kirk Koudelka, Minnesota Pollution Control Agency (MPCA)
- Jess Richards, Minnesota Department of Natural Resources (DNR)
- Heather Hosterman, Abt Associates
- Mark Lorie, Abt Associates
- Milt Thomas, MPCA
- Hannah Albertus-Benham, Wood

Welcome

Heather Hosterman (Abt) and Kirk Koudelka (MPCA) welcomed the work group.

Updates and follow-up

Milt Thomas (MPCA) and Kirk reviewed the meeting goals - receive feedback on the recommended options and clearly communicate a path forward on the Conceptual Drinking Water Supply Plan (CDWSP). The October meeting will focus on more detailed feedback. They thanked the Citizen-Business Group for their dedication to get the recommended options to the public. The Co-Trustees are currently reviewing the Requests for funding.

Update on the process

Mark Lorie (Abt) reviewed project activities since May. During the May meeting, the Citizen-Business group discussed the results of the key considerations survey. The results of the survey were used to develop the recommended options. Additional key activities included:

- Having working sessions between the Co-Trustees, communities, and technical staff throughout the summer. Communities provided information to refine the cost estimates and discuss recommended options.

- Refining the recommended scenarios through an iterative process, including finalizing cost estimates for different health index (HI) thresholds to identify wells to receive treatment. This process eliminated scenarios that would not work well for multiple communities and honed in on the options currently recommended.
- Publishing the draft CDWSP and opening it to a 45-day public comment period (September 10-October 26). The public can provide comments at: <https://www.surveygizmo.com/s3/5830547/Minnesota-3M-PFC-Settlement-Questions-for-the-Public>. The Co-Trustees are determining how they will review and incorporate feedback from the public and the work group members.

Feedback: Work group members asked about how the public meetings were publicized. Jeanne Giernet (MPCA) said the agencies were working on listserv blasts, website items, targeted social media ads and via community communication contacts. The large state agencies cannot use Nextdoor as it is geared toward smaller, neighborhood-based conversations. Work group members recommended using the Facebook community option to reach more people.

Review the recommended options

Mark provided an overview of the recommended options. Chapter 7 and Appendix E of the Conceptual Plan contain more details. The options are summarized below:

- **Option 1 (preferred)**

Additionally, Mark provided a high-level cost comparison between each option. The costs are summarized below:

Funding priorities	Option 1 - preferred 	Option 2 	Option 3 
Initial capital costs	\$302.5 M	\$319.1 M	\$299.1 M
O&M costs for public water systems	\$147 M - around 40 years	\$131 M - around 35 years	\$161 M - around 21 years
O&M costs for private wells	\$19 M for over 100 years	\$24 M for over 100 years	\$19 M for over 100 years
Capital costs for potential additional neighborhood connections	\$41 M	\$41 M	\$41 M
Future contingency	\$38 M	\$33 M	\$28 M
Drinking water protection	\$70 M	\$70 M	\$70 M
Sustainability and conservation	\$60 M	\$60 M	\$60 M
State administration	\$22 M	\$22 M	\$22 M
Total	\$700 M	\$700 M	\$700 M

Feedback: Work group members had clarifying questions on what the cost estimates covered, including:

- Whether they cover expedited projects
Kirk explained that they are not included. The first round of expedited projects are coming from interest generated on the Settlement fund. Co-Trustees are still working through the second round of funding but many of the projects fall within the funding framework already in place.
- Why the estimates only go up to \$700 million
Kirk explained that while the Settlement started with approximately \$850 million, there was about \$130 million of legal fees, investigations (e.g., Project 1007), contracting, and other items not noted. \$20 million is reserved for Priority 2 items, leaving approximately \$700 million. The legislative reports detail how the money is being spent, and can be found on the 3M Settlement website.

Mark also discussed the categories of funding in more detail, including:

- **Initial capital costs.** To build drinking water supply infrastructure based on 2040 demand. Infrastructure required for growth only are not covered under the Settlement funds.
Feedback: The work group asked for clarification on neighborhood development. Kirk explained that any new neighborhood development being hooked up to the municipal system is on the dime of the developer – they must cover the whole line. The Co-Trustees heard strong support from the Citizen-Business Group to exclude new development from Settlement funding.
- **O&M costs.** To cover annual O&M for treatment systems (for Options 1 and 2) and bulk water charges (for Option 3). Does not include recapitalization costs because available funds would not cover a full standard lifecycle of infrastructure (50 years). O&M for point of entry treatment systems (POETS) for at least 100 years was a priority for work group members.
- **Capital costs for additional neighborhood hookups.** Neighborhoods within communities with existing municipal systems were considered for connection based on: number of existing homes on private wells and their HI, long-term costs of POETS versus cost of extending distribution mains, size of neighborhood, and proximity to nearest source.

- **Future contingency.** Includes treatment and hook up for homes that are within the potential projected flow path of the PFAS plume and are not otherwise captured in initial capital.
- **Drinking water protection.** Geared toward improving overall source water quality and future treatment needs. The amount is based on preliminary cost estimates from AECOM. Remediation at the disposal sites is still 3M's responsibility.
- **Sustainability and conservation.** Funding to cover groundwater sustainability projects that are separate from the Conceptual Plan but still within scope of Priority 1.
 - Feedback:* Two work group members expressed concern for the large amount of money dedicated to sustainability and would prefer the money went to additional O&M under Option 2 (HI>0.3). They said that while sustainability is important, communities are already required to implement certain sustainability measures. They do not believe it should make up such a large portion of the funding. Kirk explained that some communities are hesitant to commit to such low treatment thresholds because once O&M through the Settlement runs out, the cost to maintain those systems will shift to them. Others felt that the large amounts of money set aside for things like sustainability and groundwater protection were unclear. Kirk asked for any recommendations on how to better frame the funding criteria so that there is enough structure for communities to move forward now while maintaining flexibility for the future.
- **State administration.** Anticipated cost to administer the Settlement based on current spending including contractors, as well as cover investigation and feasibility study for Project 1007.

Hannah Albertus-Benham (Wood) then moved into a discussion about HI treatment thresholds. HI determines which wells receive treatment. Currently an HI of 1 or greater triggers a well advisory from the Minnesota Department of Health (MDH). The Co-Trustees considered options with thresholds from HI>0 to HI>0.1, but they were not feasible or a good use of Settlement funds. By using an HI threshold of 0.3 or 0.5, there is already resilience built into the plan for changing health values, plume movement, and research/new information about PFAS.

Feedback: Work group members brought up future HI changes. Kirk reiterated the amount of resiliency already built into all of the options. The current HI value is at 1. Even if this number were to drop, it would be a while before it reached HI>0.3 or HI>0.5.

Public comments and questions

Members of the public were given the opportunity to ask questions. There were no comments or questions from the public.

Recommended options details

Hannah discussed ineligible versus eligible costs. The Settlement does not cover additional treatment beyond the threshold selected or contaminants other than PFAS. It also does not cover infrastructure needed for growth alone, infrastructure recapitalization costs, or O&M for anything other than treatment plants and POETS. Kirk explained there are still questions on how the Consent Order applies once the Settlement runs out. The Co-Trustees would like to examine this more.

Feedback: Work group members asked about treatment beyond the four 3M disposal sites. They emphasized the need to take a regional approach to address PFAS contamination throughout the area. Kirk explained that while the recommended options do take a regional approach, the Settlement funds are only earmarked to treat contamination from those four disposal sites.




Jess Richards (DNR) gave an update on White Bear Lake. Key updates include:




- A Supreme Court decision filed in July 2020 includes restrictions on increased groundwater appropriation, especially for communities that are located within five miles of White Bear Lake
- Oakdale and Lake Elmo are located within five miles and must comply with the order.
 - Options 1 and 2 provide groundwater from sources outside of these communities. Options 1 and 2 currently include an interconnect from southern Woodbury
 - Option 3 provides surface water from St. Paul Regional Water Services to these communities

Feedback: Work group members asked clarifying questions following the White Bear Lake discussion, such as:

- If Oakdale and Lake Elmo tie into St. Paul Regional Water, has Wood evaluated the impact of the PFAS plume? Wood explained that they have been doing detailed modeling on this issue and can present more information shortly.
- If you turn off wells that are currently treating the PFAS plume with GAC, does this cause the plume to move? DNR reiterated they are monitoring this very closely so that shutting off wells in one area does not flush the contaminant to other neighborhoods. This is one reason the Co-Trustees are leaning toward Option 1 because it better prevents the plume from moving or expanding.

Hannah gave a high-level summary of the options by community. These details can be seen in the tables below:

Options by community	Option 1 	Option 2 	Option 3 
Afton, Grey Cloud Island, Denmark Maplewood	Supply private wells with whole-house treatment (POETS) systems if over threshold		
Cottage Grove	Treat 8 of 12 existing public wells Replace 2 existing public wells with 1 new public well 2 new treatment plants Connect 67 homes Supply other private wells with POETS if over threshold		
Lake Elmo	Drinking water supply from groundwater for future growth ^a Connect 257 homes Supply other private wells with POETS if over threshold	Connection to SPRWS Connect 257 homes Supply other private wells with POETS if over threshold	
Lakeland and Lakeland Shores	Connect 453 homes Supply other private wells with POETS if over threshold		
Newport	Interconnect with Woodbury Connect 9 homes Supply other private wells with POETS if over threshold		
Oakdale	Expand public water system to treat 2 of 9 existing public wells and 2 new public wells Connect 58 homes Supply other private wells with POET systems if over threshold	Connection to SPRWS Connect 58 homes Supply other private wells with POETS if over threshold	

Options by community	Option 1 	Option 2 	Option 3 
Prairie Island Indian Community	Treat 1 existing public well 1 new treatment plant		
St. Paul Park	Treat 3 of 3 public wells 1 new treatment plant Connect 28 homes Supply other private wells with POETS if over threshold		
West Lakeland	2 new public wells 1 new treatment plant Connect 1,190 homes to new distribution system		
Woodbury	Interconnect with Newport Treat 14 of 19 existing public wells 1 new treatment plant Supply other private wells with POETS if over threshold	Interconnect with Newport Treat 15 of 19 existing public wells and 5 new public wells 1 new treatment plant Supply other private wells with POETS if over threshold	Same as option 1

Feedback: One work group member asked if Lake Elmo and Oakdale go with Option 3, who pays for the use of SPRWS water. Hannah explained that Wood included costs for the bulk water rate charged by SPRWS. The Settlement would pay for new infrastructure (e.g., piping), but the homeowner would be responsible for their new water rate (if it changed). Hannah also clarified that in some cases like Cottage Grove and Woodbury, there may be proposed treatment for wells not currently over the HI in a few locations (e.g., the Tamarac Well Field). This is because the wells in these areas are very close together and shutting down one could affect the others.

Next steps

Mark presented on next steps, including:

- September 17 – 25: Technical one-on-one meetings. Subgroup 1 members to coordinate with work group members and others to participate as desired
- September 25 – October 26: One-on-one leadership meetings with local government units and elected officials
- September 22-23: Four public meetings, 3:00-5:00 p.m. and 7:00-9:00 p.m., each day
- October 20: Citizen-Business Group meeting – will cover detailed feedback from work group members, public comments, and water rate study results
- November 17: Citizen-Business group meeting – will review feedback and discuss approach for finalizing the Conceptual Plan

Jess shared a new health advisory from Wisconsin based on PFAS sampling in wild deer. In areas where there are surface and groundwater impacts from PFAS, residents should not eat deer liver. Venison is safe to eat.

Public comments and questions

Members of the public were given the opportunity to ask questions. There was one question from the public:

- If Oakdale and Lake Elmo purchase water from SPRWS, what happens if there is additional exposure? Do cities have to worry about paying for that in the future?

Kirk explained that as a surface water system, SPRWS already has many agreements with communities. Communities have to negotiate the finer details but for many it is a routine transaction. If there is contamination there or in any system, communities face risks. All of the communities could be impacted within any system, so there are no additional concerns from switching to SPRWS. The Department of Health confirmed that PFAS levels in the SPRWS are low.