



## STAFF REPORT

DATE: December 1, 2020

**REGULAR**

**TO:** Mayor and Council

**AGENDA ITEM:** Comments on Conceptual Drinking Water Supply Plan

**SUBMITTED BY:** Kristina Handt, City Administrator

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### **BACKGROUND:**

In February 2018 the state settled its lawsuit with 3M for \$850 million. After payment of legal fees and expenses approximately \$720 million remained. The co-trustees (MPCA and DNR) established three working groups that have been meeting for over 2 years to provide input on how the funds would be spent to attain the priorities in the settlement. The first priority is to enhance the quality, quantity and sustainability of the drinking water in the East Metro Area. The goal of this highest priority is to ensure clean drinking water in sufficient supply to residents and businesses in the East Metro to meet their current and future water needs. The second priority is to restore and enhance aquatic resources, wildlife, habitat, fishing resource improvement, and outdoor recreational opportunities in the East Metro and in downstream areas of the Mississippi and St. Croix Rivers. The third priority would be to fund residual, statewide water resources, habitat restoration, open space preservation, recreation improvements, and other sustainability projects.

The state released their recommendations for the first priority on September 10<sup>th</sup>. A copy of their presentation and a summary of the recommendations is attached. The state provided three options. Option 1 would treat wells with a health index (HI) of 0.5, Option 2 would treat wells with an HI of 0.3 and Option 3 would connect Lake Elmo and Oakdale to Saint Paul Regional Water. While Options 1 and 2 keep all 14 communities on groundwater as their drinking water supply, in both options Lake Elmo would be provided water for our system via an interconnect with Woodbury. Due to the White Bear Lake issue, the state has determined that Lake Elmo will not be able to add any additional wells because we have one well (well 4) located within the 5 mile radius of White Bear Lake as set in the district court case. This court case was heard by the Supreme Court and was remanded to the court of appeals and has not been finalized. Under Option 2, costs for operation and maintenance (O&M) are covered for fewer years for public water supply systems in order to offset the increase in capital costs. Under all options, those private homes receiving GAC filters would have operation and maintenance costs covered for 100 years. The state used 100 years as it statistically represents infinity. In addition, under all three options there is funding for future neighborhood connections, drinking water protection, sustainability and conservation and state administration.

Public comment on their recommendations have been extended to December 10<sup>th</sup>.

### **ISSUE BEFORE COUNCIL:**

What comments would the Council like to provide on the draft Conceptual Drinking Water Supply Plan for the East Metro?

### **PROPOSAL DETAILS/ANALYSIS:**

Included in your packet is a resolution prepared by the city engineer and city administrator that includes suggested comments. Comments are included expressing concerns about costs, not supporting the interconnect to Woodbury but seeking a treatment system if water from the north is not allowed, making sure all neighborhoods in the special well construction area are accounted for as well as those in close

proximity to contaminated water, supporting O&M for public and private wells, drinking water protection projects and sustainability and conservation efforts.

The resolution also allows for staff to provide more detailed information in spreadsheet form to the trustees provided it is consistent with the comments supported by council. For example, the city engineer has done a cost estimate to bring water to Mr. Blackford and his neighbors at a lower cost than provided for in the plan so we would like to provide those details.

**FISCAL IMPACT:**

Included in your packet are the state's proposed costs for the recommended option in Lake Elmo. This includes \$17.8 million in capital and \$0.03 million in operational (this is for the private connections only since distribution systems are not proposed to be covered). Funding for the Woodbury interconnect includes \$27.81 million but as noted does not include the cost for wells and staff found does not include the cost for booster stations in the detailed write up. This cost also does not include the fee (whatever that would be) that Lake Elmo would pay to Woodbury to purchase their water.

**OPTIONS:**

- 1) Approve Resolution No 2020-098
- 2) Amend and then approve Resolution 2020-098
- 3) Do not approve any comments for submittal

**RECOMMENDATION:**

***“Motion to approve Resolution No 2020-098.”***

**ATTACHMENT:**

- Sept2020 Briefing
- Summary of Recommendations
- Lake Elmo Specifics
- Resolution No 2020-098



# 3M PFC Settlement Conceptual Drinking Water Supply Plan Long-term drinking water recommendations

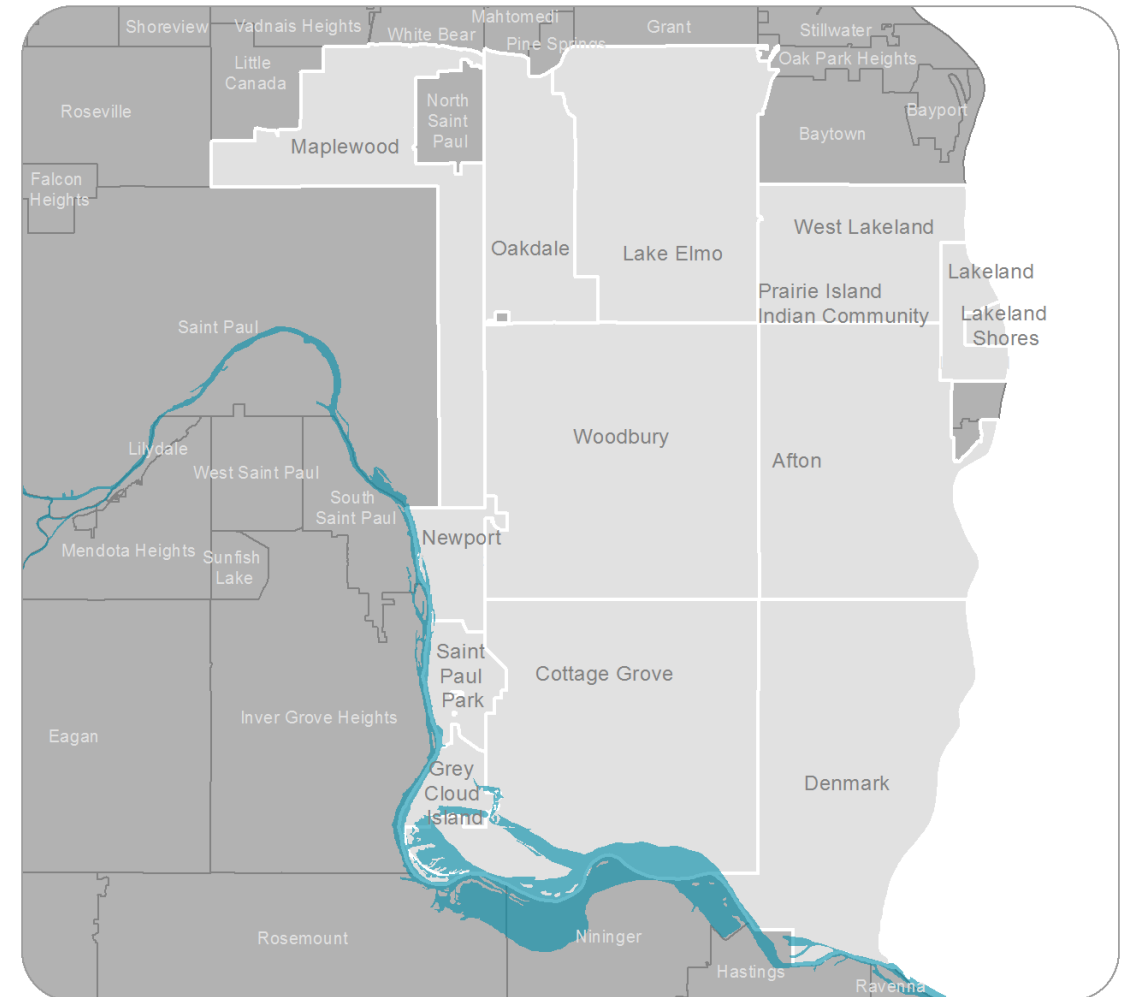
September 2020

Kirk Koudelka | MPCA Assistant Commissioner

Jess Richards | DNR Assistant Commissioner

# Meeting purpose

To provide a set of recommended long-term, safe, and sustainable, drinking water options for communities impacted by PFAS contamination as outlined in the 3M Settlement.



Systems are in place to ensure safe drinking water for all homes and business until long-term solutions are implemented.



# Meeting outline

- Overview of PFAS contamination and 3M Settlement
- How we developed the recommended options
- Recommended options
- MPCA and DNR (Co-Trustees) preferred option
- Next steps
- Questions

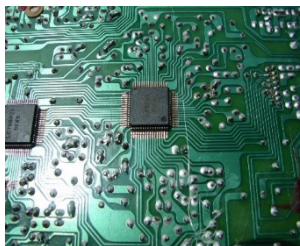
# What are Per- and Polyfluoroalkyl Substances (PFAS)?

Large class of surfactants with unique chemical & physical properties that make some of them (like PFOS & PFOA) extremely resistant to breakdown and mobile in the environment

Used since 1940s in wide range of consumer and industrial applications

- PFOS: Key ingredient in Scotchgard. Also used for textiles, wax, polishes, paints, varnishes
- PFOA: Used to make Teflon, baking paper and food packaging

Has been linked to certain health effects (see MDH website)



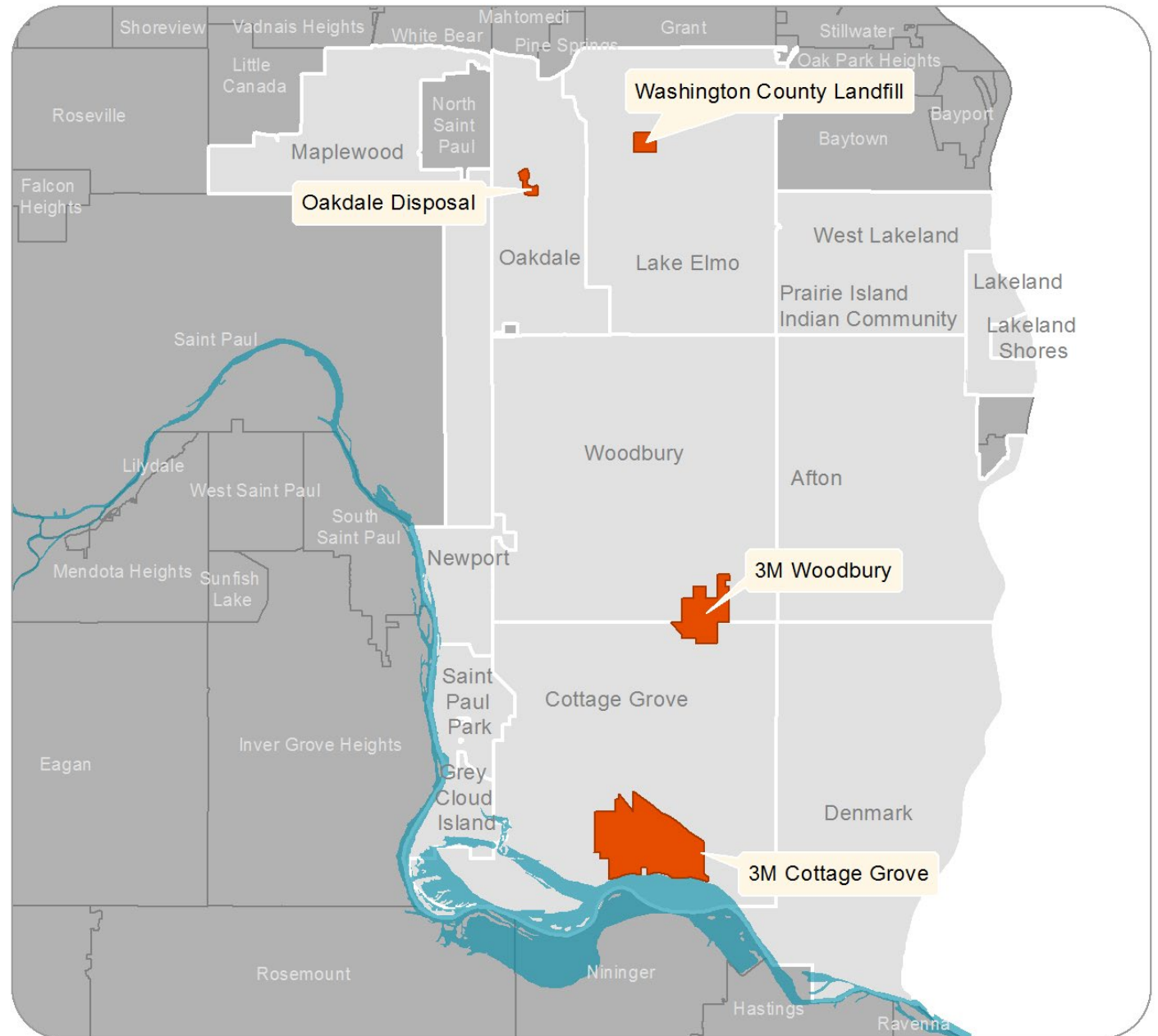


# Summary PFAS contamination East Metro

Traced to four disposal sites:

- 3M Cottage Grove Site
- 3M Oakdale Site
- 3M Woodbury Site
- Washington County Landfill

Groundwater contamination covers over 150 square miles, affecting the drinking water supplies of over 174,000 Minnesotans





The Minnesota Department of Health's PFAS guidance is protective for people, including developing babies.

The guidance values apply to short periods of time as well as over a lifetime of exposure.



# What levels of PFAS are safe?

- MDH developed protective guidance values for five PFAS compounds.
- The Health Index (HI) accounts for more than one PFAS compound. When combined an HI of 1 or greater is issued a well advisory.
- The Health Index is protective of the most sensitive populations.
- As technologies advance, more PFAS compounds can be detected and at lower levels. If more compounds are added, or existing ones are lowered, the HI formula accounts for that.

$$\text{HI} = \frac{\text{PFOA}_{[\text{conc}]}}{0.035} + \frac{\text{PFOS}_{[\text{conc}]}}{0.015} + \frac{\text{PFBA}_{[\text{conc}]}}{7} + \frac{\text{PFBS}_{[\text{conc}]}}{3} + \frac{\text{PFHxS}_{[\text{conc}]}}{0.047}$$

# We're all connected by water

Groundwater is the primary source of drinking water, shared by 6,000 private wells and eight communities with public water systems.



# 2018 Settlement overview

3M agreed to \$850 million grant to the State to be used for long-term drinking water solutions in the East Metropolitan Area.

- **First and highest priority:** *Enhance the quality, quantity and sustainability of the drinking water in the East Metropolitan Area.*
- Second priority: Enhance natural resources. Per the Settlement Agreement, \$20 million is dedicated for this priority.
- Preserves 3M's obligations under the 2007 Consent Order



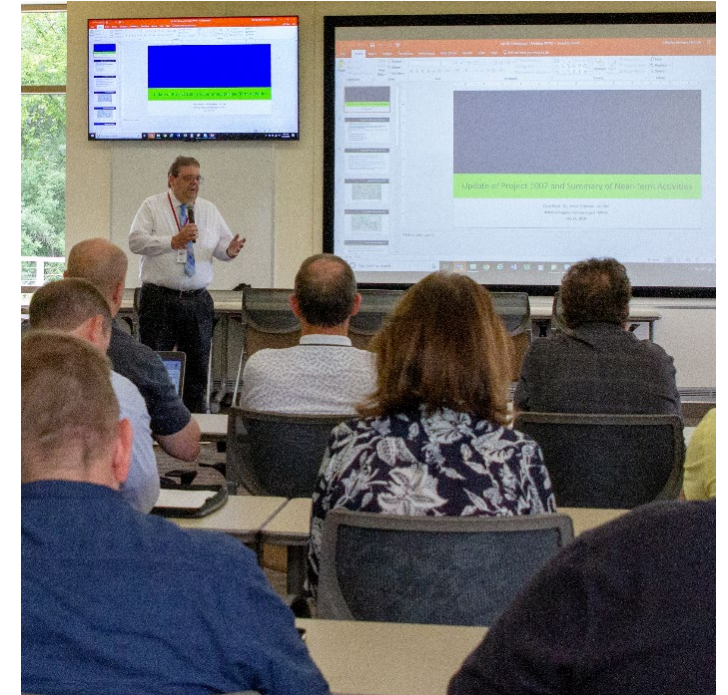
# Community work groups



Government and 3M  
Working Group



Citizen-Business Group



Technical Subgroup 1  
Drinking water supply

# Priority 1 goals

Collaborated with the Government-3M Working Group and the Citizen-Business Group to develop a set of specific goals.



**Provide** safe and sustainable drinking water to meet current and future needs under changing conditions, population, and health-based values.

**Protect** and improve groundwater quality

**Protect** and maintain groundwater quantity

**Minimize** long-term cost burdens for communities





## How we developed the recommended options

# Priority 1 - Vision for long-term planning



- Collaborative and strategic
- Accounts for every home, neighborhood, and community in the 150 square mile radius affected by PFAS contamination in the East Metropolitan Area
- Ensure all recommendations are safe and sustainable now and into the future

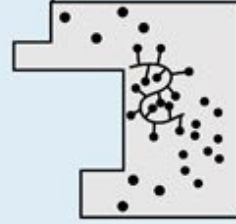
Regional Background Information and Community Profiles



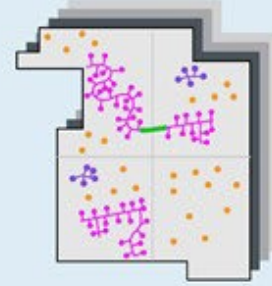
Water Supply Improvement Options



Conceptual Projects



Scenarios



Recommended Scenarios



DRINKING WATER

MODELING

GROUNDWATER

The recommended options are based on a set of projects suggested by the each of the communities. In developing the recommended options, the MPCA and DNR considered:

- Regular input from the work groups and Subgroup 1:
  - Settlement priorities and goals
  - Analysis of the groundwater and drinking water models
  - Evaluation criteria
  - Key considerations
- Informational and listening sessions and public input
- One-on-one meetings with elected officials and technical staff



# Recommended options

The comprehensive set of recommendations looked at every home, neighborhood, and community in the 150 square mile radius affected by PFAS contamination in the East Metropolitan Area.

All options provide safe and sustainable drinking water.

- Options focused on:
  - Identifying groundwater solutions to the extent possible
  - Investing in treatment systems, drinking water protection, and sustainability
  - Building resilient systems
  - Reducing O&M costs for community and residents



The recommendations build a degree of resiliency into the community's drinking water systems in order to cover future potential changes.




Considerations in determining a treatment threshold for the recommendations include:

- Addressing future uncertain conditions
  - Health values
  - Plume movement
  - New research and/or better detection methods
- Community and work group input





# Recommended options

- Option 1**  Treatment threshold of **HI>0.5**  
O & M: 40 years for public water system & 100 years for private wells  
Groundwater source of drinking water  
Community projects with future sustainable water supply options
- Option 2**  Treatment threshold of **HI>0.3**  
O & M: 35 years for public water systems & 100 years for private wells  
Groundwater source of drinking water  
Community projects with future sustainable water supply options
- Option 3**  Treatment threshold of **HI>0.5**  
O & M: 21 years for public water systems & 100 years for private wells  
Community projects, connect Lake Elmo and Oakdale to SPRWS  
Groundwater source of drinking water for all other communities

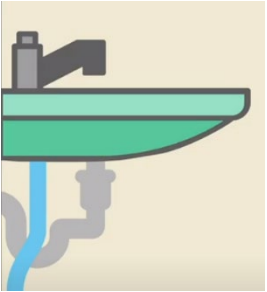
## Long-term coverage for Operation and Maintenance (O & M) expenses

- O & M for private systems more expensive for households; additional funds dedicated towards it
- Public system have more ability to cover additional cost over more users

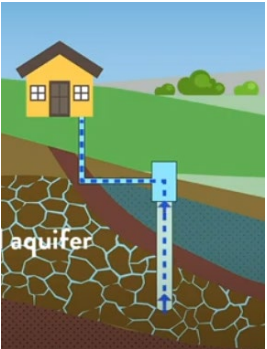
## Groundwater use restrictions related to White Bear Lake

- Financial support to connect to SPRWS or options pulling groundwater from other locations (e.g. further south in Woodbury)

# Common elements



- At the tap: Dedicated funds that will deliver safe drinking water at the faucet
  - Investment in treatment systems, neighborhood connections, O & M expenses



- At the source: Dedicated funds for projects that will ensure the communities' drinking water sources are protected and sustainable
  - Drinking water protection projects focused on quality
  - Sustainability and conservation projects to address groundwater availability in the future
- Future contingency for changing health values, plume movement, and cost over-runs

Funding priorities	<b>Option 1</b> 	<b>Option 2</b> 	<b>Option 3</b> 
Initial capital costs	\$302.5 M	\$319.1 M	\$299.1 M
O&M costs for public water systems	\$147 M - around <i>40 years</i>	\$131 M - around <i>35 years</i>	\$161 M - around <i>21 years</i>
O&M costs for private wells	\$19 M for over <i>100 years</i>	\$24 M for over <i>100 years</i>	\$19 M for over <i>100 years</i>
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
<b>Total</b>	\$700 M	\$700 M	\$700M

	Option 1 - preferred	Option 2	Option 3
<b>Funding priorities</b>			
Initial capital costs	\$302.5 M	\$319.1 M	\$299.1 M
O&M costs for public water systems	\$147 M - around <i>40 years</i>	\$131 M - around <i>35 years</i>	\$161 M - around <i>21 years</i>
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# Co-Trustees' preferred option

All the recommendations offer the flexibility for all 14 communities to move forward with projects that works for their community.

- Option 1 is the preferred option based on the highest and best use of the Settlement fund:
  - Provides resiliency with larger contingency fund to address future uncertainty
  - Communities will bear a lesser cost to continue treatment below HI>1 once Settlement funds are depleted
  - Longest O & M coverage
  - Work groups, communities, and public input
  - Priority one goals





Next steps

# Key dates

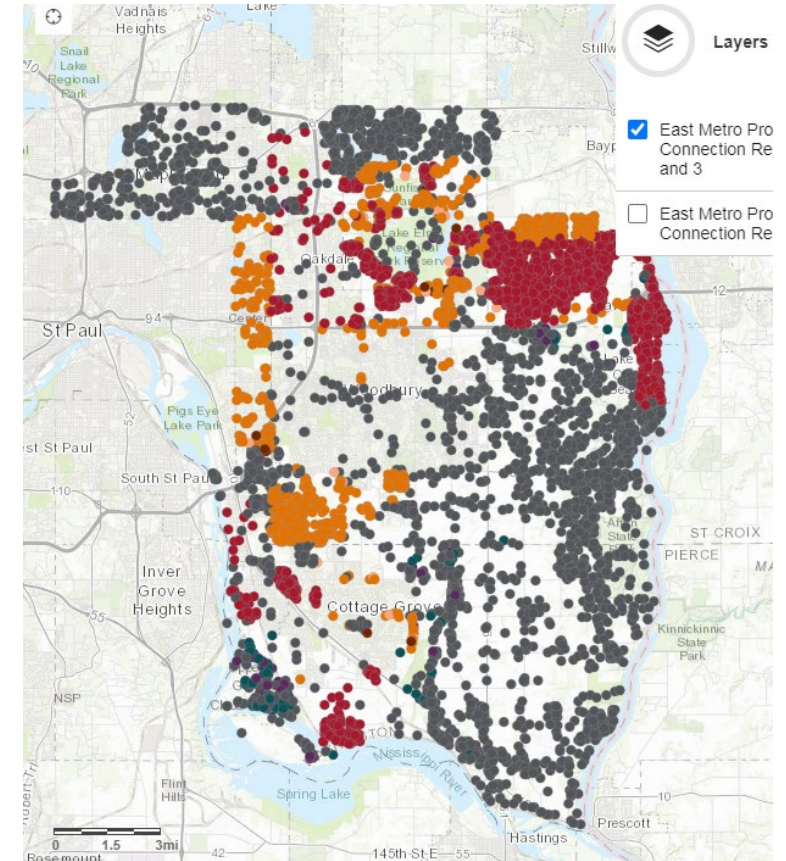
A 45-day public comment period and meetings on recommendations will be held on these recommendations (September 10 – October 26).

The Co-Trustees are planning a series of meetings with communities and the public to explain the recommended options, answer questions, and to continue discussions about community needs.

- September 9: Briefing for work groups and legislators
- September 10: Release of draft Conceptual Plan to public and media briefing
- September 15: Citizen-Business Group meeting
- September 16: Government and 3M Working Group meeting
- September 22 & 23: Four virtual public meetings (At 3-5 PM and 7-9 PM each day)
- Late September-October: One-on-one technical and community leadership meetings
- October 26: Public comment period closes

# For more information

- Details on all recommended options available at <https://3MSettlement.state.mn.us>
  - Draft Conceptual Plan and appendices
  - Individual overview of each option
  - Interactive map: Private wells recommended to be connected to public water system or receive a whole-house treatment system
  - Link to public comment survey





# Conceptual Drinking Water Supply Plan

Long-term options for the East Metropolitan area.

## Next steps

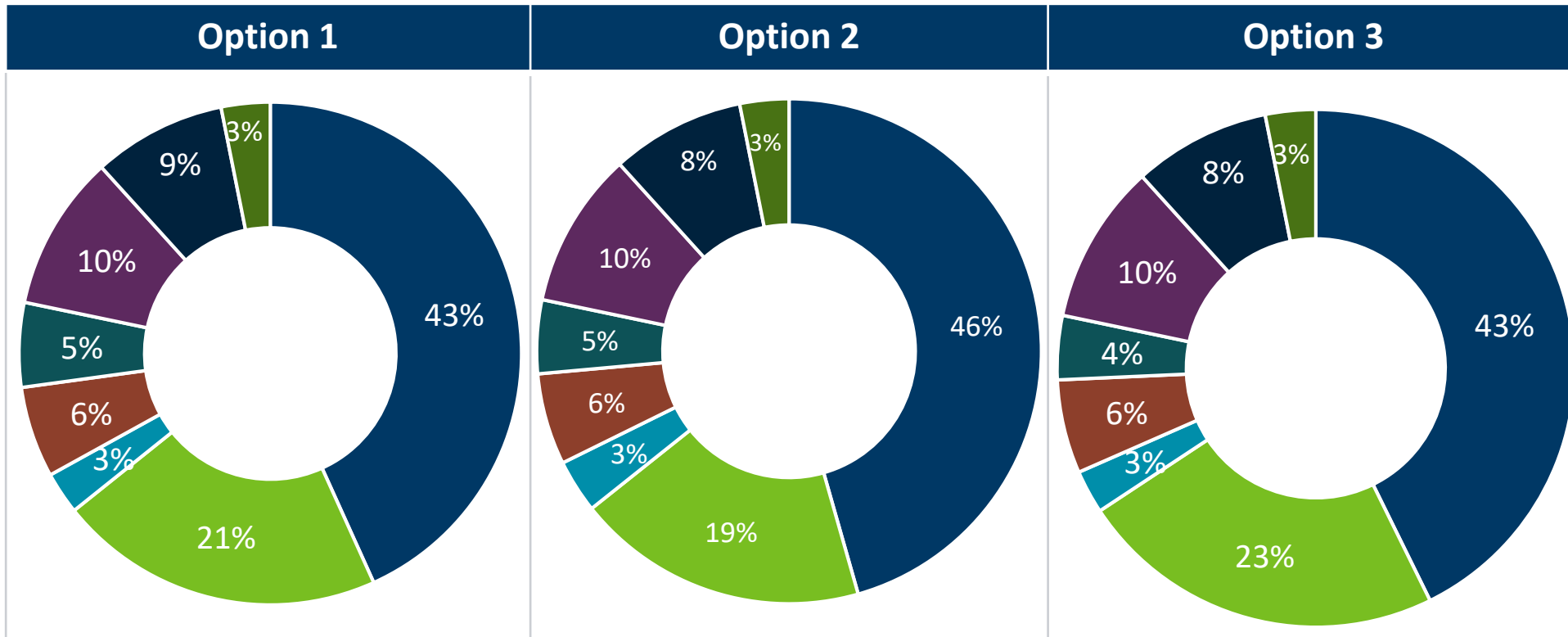
The MPCA and DNR will use the feedback from the public, work groups, and communities to make a final decision on the recommended options.

Early 2021 – Finalize the Conceptual Plan, host public meetings, and move into an implementation phase.






Funding priorities	<b>Option 1 - preferred</b> 	<b>Option 2</b> 	<b>Option 3</b> 
Initial capital costs	\$302.5 M	\$319.1 M	\$299.1 M
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# Recommended options



- Capital costs
- POET O&M
- Future HBV/HRL & plume movement
- Sustainability and conservation

- PWS O&M
- Phase II capital costs
- Drinking water protection
- State administration costs

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 1 new treatment plant 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		
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 public wells 5 new public wells 1 new treatment plant Supply other private wells with POETS 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 over threshold	Same as option 1





## Option 1 by Community

### Lake Elmo

- **10** existing, **13** new GAC POETS, **257** connections.
- New wells in Woodbury to meet 2040 MDD
- Interconnect with Woodbury to supply additional **2,700 gpm**
- **1M gallon** storage tank
- **257** Connections for seven (7) neighborhoods, including Parkview Estates, Torre Pines, The Homestead, 20<sup>th</sup> Circle, Whistling Valley, Packard/Eden Park, and 38<sup>th</sup> & 39<sup>th</sup> Street.

Capital (GAC) - \$17.8 M  
Annual O&M - \$0.03 M  
20 Year Total - \$18.61 M



## Option 1 by Community

### LAKE ELMO/WOODBURY INTERCONNECT

- Additional well(s) in Woodbury - not included in costs
- Booster pump station and additional water mains
- Expand Woodbury's WTP capacity

Capital (GAC) - \$17.6 M  
Annual O&M - \$0.38 M  
20 Year Total - \$27.81 M

**CITY OF LAKE ELMO  
COUNTY OF  
WASHINGTON STATE  
OF MINNESOTA**

**RESOLUTION NO. 2020-098**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE ELMO PROVIDING  
PUBLIC COMMENT ON THE STATE OF MINNESOTA'S PROPOSED CONCEPTUAL  
DRINKING WATER SUPPLY PLAN FOR THE EAST METRO**

**WHEREAS**, on February 18, 2018, the State of Minnesota settled a lawsuit against 3M Company in return for a settlement of \$850 million and,

**WHEREAS**,; after legal and other expenses are paid, approximately \$720 million remained to meet the priorities of the settlement including providing clean drinking water in sufficient supply to residents and businesses in the east metro to meet their current and future water needs and,

**WHEREAS**, the State of Minnesota's 2018 settlement with 3M established a grant for the "3M Water Quality and Sustainability" appropriation in the Remediation Fund; and,

**WHEREAS**, under Priority 1 of this settlement agreement, the Minnesota Pollution Control Agency (MPCA) and the Minnesota Department of Natural Resources (DNR) will use the grant to enhance the quality, quantity and sustainability of drinking water in the East Metro to ensure clean drinking water in sufficient supply to residents and businesses in the east metro to meet their current and future water needs; and,

**WHEREAS**, the MPCA and DNR as the "Co-Trustee" of these funds established three working groups in 2018 and have been holding public meetings toward the development of a Conceptual Drinking Water Supply Plan (CDWSP); and,

**WHEREAS**, on September 10, 2020 the Co-Trustees released their \$700 million drinking water protection plan for the Twin Cities East Metropolitan Area; and,

**WHEREAS**, the draft CDWSP includes three options to provide safe and sustainable drinking water for more than 174,000 Minnesotans impacted by PFAS contamination from 3M; and

**WHEREAS**, the Co-Trustees identified their preferred option as option 1 which provides construction, operating and maintenance costs for approximately 40 years and private wells for more than 100 years using granular activated carbon (GAC) filters. It requires drinking water to be treated for PFAS at a health index value of .5 or greater. The preferred option also includes the largest allocation (\$38 million) for future contingency planning; and

**WHEREAS**, under both options 1 and 2, Lake Elmo would be supplied with drinking water from Woodbury and under option 3 Lake Elmo would be connected to St. Paul Regional Water; and

**WHEREAS**, the public comment period on the draft CDWSP has been extended until December 10, 2020;

**NOW THEREFORE, BE IT RESOLVED** by the City Council of Lake Elmo, Minnesota that it provides the following comments on the draft CDWSP:

1. The City of Lake Elmo does not support the final CDWSP as it relates to the Lake Elmo water system. At the end of this process, a long-term safe and sustainable drinking water supply source has not been determined for the City with any firm confidence. The lack of a defined safe and sustainable drinking water supply source keeps Lake Elmo in a state of uncertainty, which is impairing the City's ability to manage growth while building a viable, sustainable and efficient water supply system.
  - a. The Woodbury interconnect has been presented to the City with the latest revision (11th hour). There was no previous analysis for this option throughout the plan development. It is being described as a "place holder" with little to no details for the city to review. This alternative remains incomplete, with incomplete cost information.
  - b. How does a "placeholder" of interconnecting to Woodbury allow the Lake Elmo staff and residents the opportunity to comment on what the actual solution will be prior to it being adopted by the Co-trustees?
  - c. The Woodbury interconnect plan does not provide for or define a complete solution. There are no details regarding physical connections, redundancy plan, or distribution system changes and impacts to ensure a fully integrated and efficient water distribution system. A distribution system analysis needs to be completed by the City's consultant, to fully understand additional distribution system impacts and improvements that may be required, and the associated additional costs for these improvements
  - d. Cost estimates are not fully developed, cost estimate assumptions appear flawed, and overall the costs appear inadequate for the proposed solution: 1) no funds have been included for costs to purchase water from Woodbury; 2) no costs have been included for booster stations that may be needed to implement this option; and 3) additional distribution system improvements and the associated costs are yet to be determined. To the extent that any current city infrastructure is rendered obsolete (i.e. \$1.4 million booster station built in 2014) and is no longer used, the City should receive full compensation for the damages to the lost investment.
  - e. Woodbury comments submitted to the State in October, 2020 indicate that they are not prepared to provide an interconnect with Lake Elmo until they are assured that they will be provided adequate appropriations for the proposed Lake Elmo Interconnect. The City of Woodbury is requesting approval of all required appropriations to supply Lake Elmo by interconnect before they will allow the construction of the interconnect. The delay this assurance may cause does not align with Lake Elmo's need to manage current growth and development.
  - f. Both Lake Elmo and Woodbury will require a clear analysis and assessment of specific water rate impacts and administrative burdens, for each community to be assured that their respective water customers are not subsidizing the other community, now, or at any time in the future. This is a very difficult analysis when Lake Elmo will still be owning and maintaining a city-wide water system and will only need to purchase a "partial"

water supply. Who will have the ability to determine the water rates being charged to Lake Elmo initially and into the future? How is Lake Elmo assured they will always be treated fairly?

- g. The timing of the proposed interconnect solution is unclear. Improvements take years to plan and implement, and the city is obligated to grow its water system to meet today's growth.
2. The "placeholder" plan should include an independent water supply for the City Lake Elmo. The city may need alternate sources of water to avoid adverse effects on White Bear Lake. If Lake Elmo will not be allowed to follow the city's adopted water supply plan and place wells in the northern portion of the city, outside of the impacts of PFAS and TCE, the "placeholder" plan should include an independent water supply for the city. Under these circumstances, the City of Lake Elmo supports a plan that includes the abandonment of Well No. 4 (inside of the 5-mile White Bear Lake radius) and the construction of three new 1,500 gpm water supply wells outside of the 5-mile radius of White Bear Lake, together with raw water mains to a centralized 4,500 GPM GAC water treatment facility for the three new wells.
3. The City of Lake Elmo supports the State's plan and commitment to preserve groundwater as the continued source of drinking water in Lake Elmo.
4. The City of Lake Elmo supports Option 1, in regards to the treatment of wells with an HI > 0.5; and does not support treatment of wells with thresholds below HI < 0.5; as funding is proving to be insufficient for all needs.
5. The City of Lake Elmo supports an emphasis on the funding of the first priority goals while maintaining a minimum funded period of 40 years for O&M costs for new treatment infrastructure on public water systems, prior to releasing or committing to funding for secondary goals. Lake Elmo also believes that O&M costs should be included for public water distribution infrastructure such as booster stations and pressure reduction valves (items with mechanical and electrical components similar to treatment plants).
6. The City of Lake Elmo supports funding to be set aside to cover O&M costs for private well treatment for a period of 100 years.
7. The City of Lake Elmo supports the funding of drinking water protection projects to be used for the remediation of groundwater not related to the actual 3M disposal sites, to help reduce future treatment needs and improve overall source water quality. In particular, the City supports potential remediation projects related to the removal of PFAS from sediments and surface waters in Project 1007 (targeted sediment removal; treating contaminated surface water). Lake Elmo believes that the funding set aside amount should be established in the same manner as the community drinking water systems, by defining specific projects and developing costs estimates for each project.
8. The City of Lake Elmo supports the funding set aside for sustainability and conservation, but only for those specific projects that can be clearly identified and defined and their impacts to the long-term quantity and quality of drinking water is known. Lake Elmo is concerned that the proposed \$60 million set aside is too much and may not be supported by a defined need. The funding set aside amount should be established in the same manner as the community drinking water systems, by defining specific projects and developing costs estimates for each project.
9. The City of Lake Elmo is requesting compensation in full for recent water distribution system

infrastructure (less project costs paid by 3M) that the City was required to construct, starting in 2006, in response to the PFAS contamination in the City. In order to respond with safe drinking water, the city was required to expand the municipal water system outside of its Municipal Urban Service Area (MUSA) boundaries. By not providing compensation to Lake Elmo for early response actions to PFAS contamination, Lake Elmo is not being treated equitably to the other 13 communities.

10. The City of Lake Elmo should receive full funding to abandon Well No. 3 that has been impacted by PFAS and remains an unused well.
11. The City of Lake Elmo is requesting to be treated fairly in the funding allocation of water storage. The percentage funding for the next City water tower should be based on the total number of water customers residing outside of the City MUSA areas, not just the number of connections from the City's expedited projects and future public watermain connections.
12. The City of Lake Elmo is requesting that the State fully fund a water distribution system review and analysis by the City's consultant, to fully understand additional distribution system impacts and improvements that may be required by an alternative water source. The City is requesting immediate access to the WaterCAD Hydraulic model created by Wood, in the spirit of reducing the duplication of these costs.
13. Neighborhood Connections. The City of Lake Elmo supports the continuation of connecting non-MUSA area neighborhoods to the municipal water system, consistent with the current expedited project implementation process. The city strongly supports connecting all neighborhoods located within the Special Well Construction Area. In addition to the current and recently awarded expedited projects, the City strongly supports the State's position to include the extension of municipal water in the CDWSP for the Homestead (14th Street N), Packard Park and Eden Park neighborhoods, and for the properties located along 20th Street Circle. However, the CDWSP stops short of providing for a complete solution for connecting neighborhoods.
  - a. The City of Lake Elmo is concerned that the costs estimates identified in the CDWSP remain insufficient to complete the scope of improvements that are identified in the plan for Lake Elmo. The city has a great deal of experience over the past 15 years implementing street and watermain extension projects throughout the city, mostly in response to PFAS contamination. We believe that the total project costs are being underestimated by at least 20-25%. Costs estimates should be reviewed and updated to reflect past experiences.
  - b. The City of Lake Elmo strongly supports that all neighborhoods located in the Special Well Construction Area should have the option of connecting to municipal water. Additional neighborhoods that should be included in the plan as fully funded municipal water connection projects include Sunfish Ponds (16 properties), the Forest (18 properties), properties along Stillwater Lane (10 properties), properties along Klondike Avenue (11 properties), and four properties located west of the Tapestry neighborhood. Strong consideration should also be given to including the Tartan Meadows neighborhood (39 properties) located directly south of the Homestead neighborhood, and 5 remotely located properties in the Old Village MUSA, just south of the UP Railroad (3407, 3409, 3411, 3413, and 3415 Lake Elmo Avenue).

- c. If neighborhood areas identified in the previous paragraph remain excluded from the CDWSP as areas to be connected to municipal water, the City requests the CDWSP be updated to comprehensively address how the State intends to fully fund private well owners that incur additional well ownership costs due to the existence of the Special Well Construction Area. Comparing the cost of GAC to municipal water connection fails to recognize the risk and increased cost of drilling a new/replacement well in the Special Well Construction Area. These property owners should not be incurring additional costs for their private wells when other large lot neighborhoods in neighboring communities are connected to municipal systems, or a community with no existing development is getting an entire water system (well, treatment, tower) funded. The co-trustees should strive for equity amongst communities while recognizing their different circumstances, and recognizing the damages incurred simply because properties are located within the SWCA.
  - d. The City of Lake Elmo requests that the co-trustees treat all communities consistently when considering if private wells can be used for irrigation after homes are connected to a municipal water system.
14. The City of Lake Elmo supports the funding set aside of \$41 million for potential additional neighborhood hookups that could be completed in the future, as additional well testing data becomes available. Preservation of adequate funding for connecting additional neighborhoods is very important to address future potential issues that may arise through additional testing and for homes within the flow path of the PFAS plumes.
15. The City of Lake Elmo supports the establishment of the \$38 million contingency fund to potentially address changes in the HBV/HRL, future plume movement, and cost over-runs.

**BE IT FURTHER RESOLVED** by the City Council of Lake Elmo, Minnesota that this resolution be forwarded to the Co-Trustees after adoption along with any additional detailed comments on the CDWSP identified by staff that are consistent with the themes above.

APPROVED by the Lake Elmo City Council on this 1<sup>st</sup> day of December, 2020.

By: \_\_\_\_\_

Mike Pearson  
Mayor

ATTEST:

\_\_\_\_\_  
Julie Johnson  
City Clerk