As 3M settlement money dwindles, east metro cities still have millions in water treatment costs



Operator Bill McNamara at the Hastings Water Treatment Plant in 2023. Hastings is one of several cities planning to build a PFAS treatment plant to rid its water of "forever chemicals."© Angelina Katsanis/Star Tribune/TNS

Woodbury is pushing ahead with plans to build a <u>\$330 million treatment</u> plant to flush its drinking water of "forever chemicals." And 3M, the company that manufactured the harmful substances, is footing the bulk of the bill.

But the east metro suburb is now wondering whether it can count on the chemical giant to cover the cost of maintaining the sprawling facility.

An MPCA spokeswoman said in an email that all projects funded with approved 3M money will be completed, calling 2027 a "conservative estimate" of when the settlement will run out.

In a statement, a 3M spokesperson said the company has fully met its obligations under the 2018 settlement to improve drinking water in the east metro area, touting its investments in a water treatment system at its Cottage Grove facility.

Now, the company has asked for an independent review of the state's use of settlement funds, the spokesperson said — including whether certain projects meet the agreement's standards.

"Through this review, 3M seeks to have the fund benefit as many communities and residents in the East Metro as possible, consistent with the original intent of both the State and 3M," the statement reads.

But city leaders who have spent years attempting to rid their drinking water of PFAS while minimizing the burden on taxpayers say the developments are disappointing.

Lake Elmo senior project manager Jack Griffin described the struggle to get 3M on board like this: "It's been just a constant fight."

The March 7 email from the MPCA provided a routine update to a cluster of suburbs that received 3M funds.

With the \$850 million settlement rapidly dwindling, the MPCA noted it ought to develop a plan to transition to an earlier agreement with the company — "with buy-in from 3M, if possible."

That agreement, known as the 2007 consent order, charged 3M with paying for projects like the treatment of certain PFAS-tinged wells, freeing up more money for remediation.

But, the email continued, "Unfortunately, at this time 3M objects."

According to the email, 3M approached the MPCA and the state Department of Natural Resources, the two agencies charged with managing the settlement, with an update:

The company didn't believe the drinking water treatment projects those agencies selected for 3M funding were "reasonable and necessary" under the consent order's spending priorities. And it had initiated mediation to resolve the dispute.

"The MPCA and DNR are confident in the selection of projects," the message read. "But we cannot promise what the transition process will look like so long as 3M's dispute remains active."

The update concerned Ryan Burfeind, Cottage Grove's public works director. Levels of PFAS exceed state-set limits in all 12 of the city's wells, and two 3M-funded treatment plants are on the way. (Temporary plants currently provide residents with clean water, Burfeind noted.)

Burfeind said state officials assured him that the 2007 consent order would free up more 3M funding once communities exhausted the settlement. But with the company possibly opposed to that proposition, he said Cottage Grove officials are contemplating a less-than-ideal plan to fundraise for maintenance expenses.

"The only option would be to increase water rates," he said, even though "we don't feel our residents should have to pay for" the plants' upkeep.

In Hastings, officials recently nailed down a link between PFAS in one city well and the same substances produced at a 3M facility, unlocking roughly \$14 million from the company.

The city had to prove that connection because Hastings' location initially excluded it from settlement money, even though tests show all six city wells contain levels of one forever chemical exceeding Environmental Protection Agency limits.

But \$14 million is far from enough to pay for a trio of treatment plants with a projected \$68.9 million price tag, forcing the city to develop an <u>aggressive</u> <u>plan for water rate increases</u> to make up the rest.

Now, other communities are contending with a similar challenge: scrambling to find the funds to clean up a problem that 3M caused.

"I'm sure that much of the east metro is concerned about what this means for their projects and potentially needing to raise rates themselves," said Hastings City Administrator Dan Wietecha of the news that 3M is contesting certain funding obligations outlined in the 2007 consent order.

Hastings officials, meanwhile, have also taken issue with another PFASrelated development: the DNR and MPCA are devoting a chunk of 3M settlement money to projects that restore aquatic resources and wildlife that forever chemicals have marred.

Wietecha questioned those agencies' priorities.

"If you know you're going to run out of money, why are you stubbornly using this discretionary piece — access to \$20 million for fishing piers and boat ramps and aquatic habitat — rather than focusing it on drinking water?" he said.

"We just think it's irresponsible," he added. "Just because you have access to these funds doesn't mean you need to spend them in that fashion."

But Randall Doneen, a conservation assistance manager with the DNR, said that funding environmental projects is a worthy goal.

Wetland restoration efforts, shoreline enhancements, even campaigns informing people not to consume fish from PFAS-contaminated lakes — all of these endeavors, within <u>specific portions</u> of Washington, Ramsey and Dakota counties, are eligible for 3M funds.

"To get some natural resource enhancements and recreational enhancements in that area, I think it'll be a benefit," Doneen said. "It's not to diminish the need for [clean] drinking water."

Communities can expect to learn more about the fate of 3M money at a <u>May 21 meeting</u>. In the meantime, Hastings — and potentially other east metro cities — will continue refining plans for water rate increases in case the company won't provide more funds.

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