



September 12, 2018

The Honorable Bill Ingebrigtsen, Chair  
Senate Environment and Natural Resources Finance  
Committee  
Minnesota State Senate  
3207 Minnesota Senate Building  
95 University Avenue West  
St. Paul, MN 55155

The Honorable David Tomassoni  
Ranking Minority Member, Senate Environment and  
Natural Resources Finance Committee  
Minnesota State Senate  
2235 Minnesota Senate Building  
95 University Avenue West  
St. Paul, MN 55155

The Honorable Carrie Ruud, Chair  
Senate Environment and Natural Resources Policy and  
Legacy Finance Committee  
Minnesota State Senate  
3233 Minnesota Senate Building  
95 University Avenue West  
St. Paul, MN 55155

The Honorable Chris Eaton, Ranking Minority  
Member  
Senate Environment and Natural Resources Policy  
and Legacy Finance Committee  
Minnesota State Senate  
3233 Minnesota Senate Building  
95 University Avenue West  
St. Paul, MN 55155

The Honorable Dan Fabian, Chair  
House Environment and Natural Resources Policy and  
Finance Committee  
Minnesota House of Representatives  
365 State Office Building  
100 Rev. Dr. Martin Luther King Jr. Boulevard  
St. Paul, MN 55155

The Honorable Rick Hansen, DFL Lead  
House Environment and Natural Resources Policy  
and Finance Committee  
Minnesota House of Representatives  
247 State Office Building  
100 Rev. Dr. Martin Luther King Jr. Boulevard  
St. Paul, MN 55155

Dear Legislators:

Please see the attached report on expenditures from the water quality and sustainability account during the previous six months, as required by 2018 Session Law, ch. 204, sec. 1, subd 4 (2).

Please contact us if you have questions.

Sincerely,

Kirk Koudelka  
Assistant Commissioner  
Minnesota Pollution Control Agency  
520 Lafayette Road North  
St. Paul, MN 55101

Barb Naramore  
Assistant Commissioner  
Minnesota Department of Natural Resources  
500 Lafayette Road North  
St. Paul, MN 55155

Attachment

cc: Stephanie Zawistowski, Office of Governor Mark Dayton  
Anna Henderson, Office of Governor Mark Dayton

## Legislative Report: Expenses Related to Implementation of 3M Settlement

Submitted September 11, 2018

<b>Beginning Balance</b>	<b>\$ 850,000,000</b>
<b>Expenditures (from the start of the settlement to June 30, 2018)</b>	
<i>Legal Representation of the State in the 3M Settlement</i>	<i>\$ 125,000,000</i>
Per Minnesota's contingent fee representation agreement with the firm of Covington & Burling, the state paid Covington & Burling for the costs of legal representation that resulted in the 3M settlement. These costs included litigation, legal research, expert witnesses, and consultants.	
<i>Reimbursements of Activities Outlined in the 2007 Consent Order</i>	<i>\$ 4,521,778</i>
Under the 2018 Settlement, 3M agreed to reimburse MPCA, MDH, and Cottage Grove for costs that were 3M's responsibility under the 2007 Consent Order. This included reimbursements for well sampling, home treatment systems, and the Cottage Grove treatment system.	
<i>Reimbursement for Past State Expenditures Relating to the 3M Settlement</i>	<i>\$ 300,442</i>
The 2018 Settlement included reimbursement for expenditures incurred by MPCA and DNR relating to 3M PFAS natural resource damage assessment activities in the East Metro. These expenses occurred through the Natural Resource Damage Assessment authority (NRDA) in the Remediation Fund in October 1, 2009, through January 10, 2018.	
<i>Start-up Costs for Settlement and Business/Community-based Working Groups</i>	<i>\$ 23,014</i>
MPCA and DNR have selected Abt Associates as consultants to coordinate and facilitate implementation activities for the 2018 Settlement. Abt Associates has considerable expertise with natural resource damage assessment and settlement implementation and is providing an essential supplement to existing agency staff capacity.	
<b><i>Expenditures Subtotal</i></b>	<b><i>\$ 129,845,234</i></b>
<b>Remaining Balance (as of June 30, 2018)</b>	<b>\$ 720,154,766</b>