

Settlement Agreement and Consent Order
3M and MPCA, May 22, 2007

QUARTERLY PROGRESS REPORT #11

October 1 – December 31, 2009

On May 22, 2007, 3M and the Minnesota Pollution Control Agency (MPCA) entered into a Settlement Agreement and Consent Order (Settlement Agreement) for the investigation and assessment of perfluorochemicals (PFCs) at sites in Washington County and for the execution of certain other related matters. This report is provided to fulfill the requirement outlined in Part XIII.A of the Settlement Agreement.

REPORTING PERIOD: October 1 to December 31, 2009

ACTIVITIES COMPLETED:

Response Action Plan and Response Action Implementation (Part VIII)

Cottage Grove

The RD/RA Plan for the site was prepared and submitted to the MPCA on December 1, 2009.

Bid specification packages for excavation of soils in the D1 and D2 disposal areas were finalized and distributed to prospective contractors. Subsequently, a contractor was selected to perform excavation activities at the D1 and D2 areas.

In a letter dated October 7, 2009, the MPCA approved with modifications the Interim Response Action Plan that 3M had submitted on August 14, 2009 concerning the D1 and D2 disposal areas. Based on this approval, removal of materials from the D1 area began in December 2009.

Oakdale

Based on written MPCA approval dated October 13, 2009, operation and monitoring of the temporary soil vapor extraction (SVE) system continued. In October 2009, 43 additional SVE vents were installed in the treatment area. An update concerning performance of the system and the installation of the additional vents was provided to MPCA staff at a meeting held on December 9, 2009. The remainder of the expanded SVE system was installed subsequent to the MPCA meeting and the expanded system became operational on December 21, 2009.

Operation and monitoring of the new extraction well network for the southern portion of the site continued. In addition, major progress was made on the engineering project to install the

groundwater treatment system for the site. More specifically, the treatment building was erected and enclosed and much of the process equipment was installed.

Woodbury

Final analytical results were conveyed via correspondence dated October 22, 2009 to the MPCA for the regional Woodbury Prairie du Chien well that was sampled on June 5, 2009. In addition, per discussions with agency staff, one additional round of sampling of the regional wells that were the subject of MPCA's January 9, 2008 correspondence to 3M was conducted on October 21 and November 16-18, 2009.

Excavation, stockpiling, loading and hauling activities for the Main Disposal Area were completed. In addition, backfilling, final grading and seeding for this area were also accomplished. An "as-built" survey was initiated for the areas impacted. This survey will be updated, as necessary, in Spring 2010 when final grading/restoration will be completed for this area.

Equipment and the site trailer were demobilized for the winter.

A report was prepared and submitted to the MPCA summarizing recently completed analytical data collected in the Northeast Disposal Area and recommending installation of a temporary soil vapor extraction (SVE) system for a portion of the area. Comments were received from MPCA staff concerning this matter and data has been compiled in order to respond to this feedback.

Work continued on a hydraulic evaluation of the Woodbury barrier wells to determine drawdown effects and the extent of the groundwater capture zone at various pumping rates. Preliminary discussions on this topic took place with MPCA personnel.

Lake Elmo Park Reserve

With the project bid awarded and the funding grant in-place, 3M understands that the county has been working to complete the replacement of the primitive campground well.

Health and Toxicological Studies (Part XIII.C)

3M continued to cooperate with the Minnesota Department of Health (MDH) in providing health and toxicological information relative to PFCs. The process established in May-June of 2007 to share specific updates on various studies as they are underway has continued with 3M providing monthly written summaries to the MDH. For informational purposes, copies of these updates are also provided to the MPCA.

Recovery of Expenses (Part XXIII)

In Part XXXIII.D of the Settlement Agreement, 3M agreed to provide to MPCA a grant in an amount up to five million dollars for expenses incurred for the purpose of investigating and assessing the presence of PFCs in the environment. In a letter dated September 30, 2009, the MPCA requested payment in the amount of \$193, 602 towards this commitment. 3M submitted payment in the requested amount via correspondence dated October 30, 2009.

In a letter dated November 6, 2009, the MPCA requested reimbursement for funding of environmental studies as outlined under the Settlement Agreement. 3M submitted payment in the requested amount (\$630,487) via correspondence dated December 15, 2009.

ACTIVITIES UNDERWAY &/OR PLANNED FOR JANUARY - MARCH 2010:

Response Action Plan and Response Action Implementation (Part VIII)

Cottage Grove

Excavation, stockpiling, loading and hauling activities at the D1 and D2 disposal areas will continue and may be completed by the end of the first quarter of 2010. Areas will be backfilled, final graded and seeded unless they are to be used on an interim basis for staging of materials and/or equipment.

Additional in situ soil profile sampling will be conducted at the D9 disposal area.

Bid specification packages for excavation of soils in the D9 disposal areas will be finalized and distributed to prospective contractors.

Oakdale

Operation and monitoring of the expanded SVE system will continue. Periodic updates concerning performance will be provided to MPCA staff.

Operation and monitoring of the new extraction well network for the southern portion of the site will continue. In addition, completion of the engineering project to install a groundwater treatment system is expected by March 31, 2010. Optimization of the pretreatment portion of this system is anticipated from February through March.

Woodbury

Work will begin on preparing a *Construction Completion Report*, to document activities completed in 2009 for the Main Disposal Area, after the final survey of the site has been completed. Once finalized, this document will be submitted to MPCA staff.

Pending MPCA approval, a soil vapor extraction (SVE) system will be installed and operated at the Northeast Disposal Area. Towards this end, in a letter dated January 8, 2010, 3M provided responses to several informational requests raised by MPCA staff. Installation of the SVE system is expected to be completed by the end of the first quarter of 2010.

Work will continue on a hydraulic evaluation of the Woodbury barrier wells to determine projected drawdown effects and the extent of the groundwater capture zone at various pumping rates. A Work Plan will be prepared and submitted to the MPCA outlining the proposed course of action to assess this operational variable.

Final analytical results will be conveyed to the MPCA for the regional wells that were the subject of MPCA's January 9, 2009 correspondence to 3M and that were sampled on October 21 and November 16-18, 2009.

Lake Elmo Park Reserve

With the project bid awarded and the funding grant in-place, 3M understands that the county will be completing this work during the first quarter of 2010.

Information Sharing Process (Part XIII.B)

Pending MPCA's response to 3M's letter dated April 14, 2008 on this topic, 3M is available to meet with MPCA personnel on an "as-needed" basis to discuss specific items relative to information-sharing. Irrespective of the formal determination of completeness relative to this part, based on discussions with MPCA personnel, 3M and the MPCA have agreed to continue regular meetings to share new developments and information that could be helpful in understanding PFC issues in Minnesota.

Health and Toxicological Studies (Part XIII.C)

3M will continue to share health and toxicological information on perfluorochemicals with MDH as it becomes available. Monthly summary reports as previously described will continue to be provided.

