

Settlement Agreement and Consent Order

3M and MPCA, May 22, 2007

QUARTERLY PROGRESS REPORT #17

April 1 – June 30, 2011

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: April 1 – June 30, 2011

ACTIVITIES COMPLETED:

Response Action Plan and Response Action Implementation (Part VIII)

Cottage Grove

3M continued to work with regulatory authorities to obtain the necessary approvals to conduct remediation activities in the East Cove area. Critical outcomes relative to this work are summarized as follows:

- April 25, 2011 – 3M received comments from the MPCA concerning the East Cove Work Plan that had been submitted on March 16, 2011.
- May 18, 2011 – Following the required public notice period, the City of Cottage Grove completed their review of the EAW and acted by issuing a negative declaration relative to requiring an Environmental Impact Statement. The City also acted by approving the Conditional Use Permit required to execute the project.
- May 23, 2011 – The U.S. Army Corps of Engineers approved the permit to conduct the East Cove Project (Department of the Army General Permit GP-001-MN).
- May 31, 2011 – 3M provided responses to the comments contained in the MPCA correspondence dated April 25, 2011.
- June 10, 2011 – 3M received additional inquiries from the MPCA via electronic mail as follow up to its May 31, 2011 submittal.
- June 20 and 21, 2011 – Following a meeting on June 17, 2011 with MPCA staff to discuss remaining details pertaining to the East Cove Work Plan, 3M provided final clarifications via electronic mail to the questions raised in the June 10, 2011 correspondence.

- June 21, 2011 – 3M submitted a letter to the MPCA representing an amendment to the previously approved Remedial Design/Response Action (RD/RA) for the site.
- June 28, 2011 – 3M received a Public Waters Work Permit from the Minnesota Department of Natural Resources (letter dated June 22, 2011).
- June 30, 2011 – MPCA approved 3M's amendment to the RD/RA.

Based on the progress with regulatory authorities noted above, the contractor chosen to execute remediation activities at the East Cove area continued preliminary preparation steps in anticipation of commencing this action. This included mobilization of materials and equipment to the site.

3M continued to await MPCA direction and/or approval relative to conducting the extended pilot pump test of the new groundwater extraction system that was the subject of the March 10, 2010 submittal to the agency. A meeting was held on June 1, 2011 with agency staff to discuss this matter. 3M's understanding is that the MPCA would continue to evaluate possible approaches to accomplishing this action.

Oakdale

Excavation, stockpiling, loading and hauling activities for the soil excavation area north of Highway 5 continued until June 1 when these tasks were deemed complete. Final grading and seeding of this area was subsequently accomplished along with demobilization of equipment from the site.

Woodbury

A replacement well for MW-6L was installed on April 21, 2011. This new well will be referred to as MW-6LR. Geophysical logging of this well was attempted but was not completely successful due to complications arising from borehole collapses during construction and certain equipment malfunctions. A transducer was also installed as part of this action.

Final restoration activities (final grading, topsoil placement, seeding and silt fence removal) in the Northeast Disposal Area were accomplished with a completion date of June 22, 2011. This date becomes the trigger for submittal of the *Construction Completion Report* for this portion of the project.

Evaluation of data and information pertaining to the pumping rate optimization initiative for the barrier wells continued.

Lake Elmo Park Reserve

Based on a grant offer by 3M, Washington County hired a well driller to abandon the modern campground well at the park and replace it with a new, deeper well. The county accomplished this work in late April. The well was subsequently tested by the Minnesota Department of Health and was ready to be brought on line by May 1.

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.

ACTIVITIES UNDERWAY &/OR PLANNED FOR JULY - SEPTEMBER 2011:

Response Action Plan and Response Action Implementation (Part VIII)

Cottage Grove

As part of the recent state government shutdown, the Public Waters Work Permit that had been issued by the Minnesota Department of Natural Resources on June 22, 2011 to enable remediation of the East Cove area was temporarily terminated. This state action suspended and delayed progress on the East Cove area remediation activities. With the resumption of state government activities, this permit has effectively been re-established as an effective permit.

While state actions have adversely affected the construction schedule developed for remediation of the East Cove area, 3M has decided to proceed and make every effort to complete these actions still in this calendar year. Towards this end, the contractor will be commencing construction of a loading dock, sheet piling and structures/channels necessary to divert water around the active remediation area. A pre-construction meeting at the site with MPCA staff, to include a site inspection of pre-construction conditions, will be scheduled. Following completion of the aforementioned items, sediment removal activities will begin.

3M had intended to conduct an extended pilot test of the new groundwater extraction system that has been completed in the eastern portion of the Cottage Grove site during a spring to fall 2011 timeframe (i.e., during non-freezing weather conditions). This work was described in a March 10, 2010 submittal to the MPCA. Lacking required MPCA direction and/or approval to proceed with this action, it has been postponed. Options for how best to proceed in this matter will continue to be evaluated.

Based on changes to schedules as highlighted above, 3M will provide an updated schedule to the MPCA for the remaining remedial activities at the site.

Oakdale

The curb cutout on Granada Avenue put in place to enable truck access to the site will be repaired.

Once seeding of the area north of Highway 5 is established, installation of a new pumpout well, well PW26, will be accomplished. This well will be connected to the on-site groundwater treatment system and will be tested according to the approved monitoring plan for the site. In addition, two monitoring wells that had to be removed in order to accomplish the soil removal, wells W21 and W26, will be replaced during this same timeframe.

Following installation of the new wells, the fence used to secure the area north of Highway 5 during the soil excavation activities will be removed.

Woodbury

The *Construction Completion Report* for the Northeast Disposal Area activities will be prepared and submitted in August according to the schedule outlined in the Settlement Agreement.

Data gathering pertaining to the barrier wells pumping rate optimization initiative will continue.

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.

