



REPORT TO THE
LEGISLATURE

OCTOBER 2025

3M Settlement annual report and spending plan for fiscal year 2025

Report to the Legislature on the Natural Resource
Damages settlement in the east metropolitan area

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Legislative charge

Minn. Stat. § 115B.52 subd. 4 as amended during 2023 legislative session by Chapter 60, Article 3, Section 19

The commissioner of the Pollution Control Agency and the commissioner of the Department of Natural Resources must jointly submit by October 1 each year, a report to the chairs and ranking minority members of the legislative policy and finance committees with jurisdiction over environment and natural resources on expenditures from the water quality and sustainability account during the previous fiscal year.

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Foreword

On February 20, 2018, the State of Minnesota settled its Natural Resource Damage lawsuit against the 3M Company in return for a settlement of \$850 million (3M Settlement). Minnesota's Attorney General sued 3M in 2010 alleging that the company disposed of chemicals known as per- and polyfluoroalkyl substances (PFAS) and had damaged and continues to damage drinking water and natural resources in the Twin Cities east metropolitan area. After legal and other expenses, about \$720 million remained to finance drinking water and natural resource projects in the east metropolitan area.

The Minnesota Pollution Control Agency (MPCA) and the Minnesota Department of Natural Resources (DNR) are Co-Trustees of these funds.

Multiple reports are produced annually for the 3M Settlement. Links to the Annual Review and Private Well Sampling Memo are on the [3M Settlement webpage, Minnesota 3M PFAS Settlement | The State of Minnesota's 3M PFAS Settlement Portal](#). The following report fulfills the requirements of *Minn. Stat. § 115B.52, subd. 4*.

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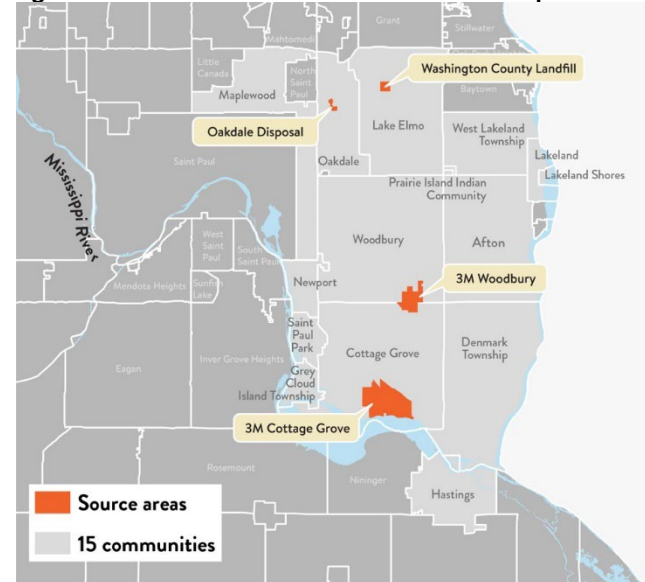
Summary

The State of Minnesota and the 3M Company announced an agreement to settle the state's Natural Resource Damages lawsuit for PFAS contamination on February 20, 2018. Under the terms of the 3M Settlement, 3M made an \$850 million grant to the state to be used for safe drinking water and natural resource projects, and the state's lawsuit expenses. After legal and other expenses were paid, about \$720 million was available to finance drinking water and natural resource projects in the Twin Cities east metropolitan area. The Minnesota Pollution Control Agency (MPCA) and Minnesota Department of Natural Resources (DNR) are Co-Trustees for the grant.

Priority 1 — Ensure safe and sustainable drinking water

The top priority for the grant money is to enhance the quality, quantity, and sustainability of drinking water in the east metropolitan area. This area includes, but is not limited to, the cities of Afton, Cottage Grove, Hastings, Lake Elmo, Lakeland, Lakeland Shores, Maplewood, Newport, Oakdale, St. Paul Park, Woodbury and the townships of Denmark, Grey Cloud Island and West Lakeland, and the Prairie Island Indian Community. The goal of this highest priority work is to ensure safe drinking water in sufficient supply to residents and businesses in the east metropolitan area to meet their current and future water needs.

Figure 1: PFAS contamination traced to four disposal sites



Priority 2 — Enhance natural resources

The second priority for grant money is to restore and enhance water resources, wildlife, habitat, fish and other aquatic resources, resource improvement, and outdoor recreational opportunities in the east metropolitan area and in downstream areas of the Mississippi and St. Croix Rivers. The terms of the 3M Settlement specify that \$20 million is available for Priority 2 projects. No additional funds are identified for Priority 2 projects beyond \$20 million.

Planning and implementation – Priority 1

Community engagement

The MPCA and DNR are responsible for implementing the 3M Settlement. To engage with communities, stakeholders, and technical experts, the MPCA and DNR created two main work groups—the Government and 3M Working Group and the Citizen–Business Group. The work groups helped identify and recommend projects to be funded by the Settlement. To assist these two main groups, the Drinking Water Supply Technical Subgroup 1 (Subgroup 1) was formed to analyze options and provide assessments and advice on alternatives for the Conceptual Drinking Water Supply Plan (Conceptual Plan).

The Government and 3M Working Group consists of one representative from the MPCA, DNR, 3M and Washington County and one representative from each of the 15 affected east metropolitan area communities. The Citizen-Business Group is composed of one member of MPCA, DNR and 15 at-large community, business, and nongovernmental representatives who live or work in an affected community. Each group sent one liaison to the other group’s meetings. The MPCA and DNR co-chair these groups and make all final decisions.

The Conceptual Plan was released August 18, 2021. Now that the Conceptual Plan is being implemented, the Government and 3M Working Group and the Citizen–Business Group work group meetings have been combined since Fall 2022. Subgroup 1 is no longer meeting. Additional information, such as charters and past presentation materials, are available on each group’s webpage: [Government and 3M Working Group](#) and [Citizen-Business Group](#).

Planning and assistance

The MPCA and DNR retained Abt Associates (Abt) as consultants for Priority 1 and 2 to coordinate and facilitate implementation activities for the 3M Settlement. Abt Associates is a State contractor for Natural Resource Damage Assessment (NRDA) work and has considerable expertise with NRDA and settlement implementation. In addition, Abt has provided an essential supplement to existing agency staff capacity.

WSP Global Inc. (WSP), formerly Wood Environment & Infrastructure Solutions Inc., was retained to develop a comprehensive groundwater model and drinking water model for the east metropolitan area, as well as cost estimates associated with long-term drinking water supply options. These models enabled the Co-Trustees to evaluate long-term drinking water supply options for the 14 communities. In addition, WSP is assisting with technical engineering review of community grant forms to implement the projects in the Conceptual Plan.

AECOM Technical Services Inc. (AECOM) provided an independent peer review of the groundwater model. They are also the primary contractor in the assessment and evaluation of Project 1007.

WSP and AECOM are existing state environmental consultants for Superfund projects, have extensive experience in providing technical assistance with hazardous substance release site evaluations and municipal infrastructure projects, and bring national expertise on PFAS contamination issues.

Conceptual Drinking Water Supply Plan

The Conceptual Plan is a key component of the 3M Settlement that ensures drinking water needs for the east metropolitan area are appropriately and thoroughly considered. The purpose of the Conceptual Plan is to identify drinking water projects that will meet the needs of the affected communities in the area — now and into the future.

Conceptual Plan

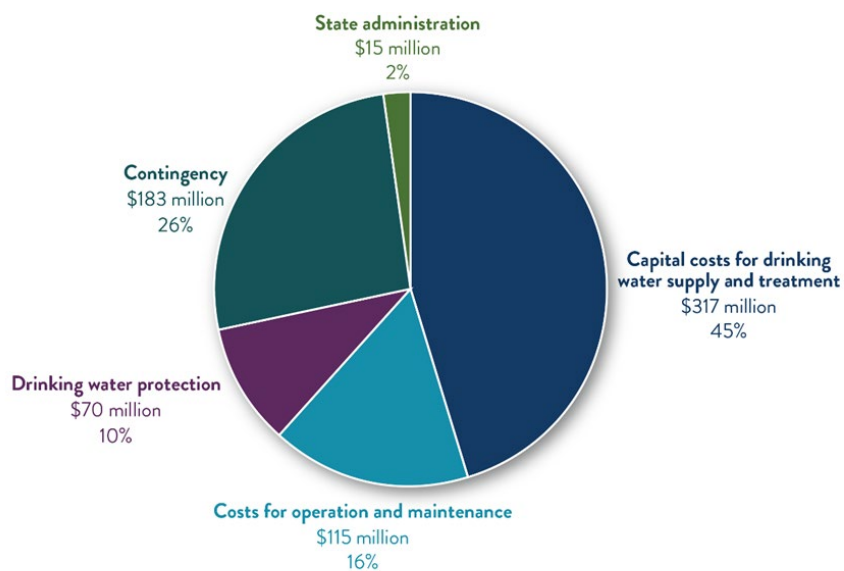
The Conceptual Plan was released August 18, 2021, and can be found at this website: [Full plan documents: Conceptual Drinking Water Supply Plan | Minnesota 3M PFAS Settlement \(state.mn.us\)](#).

The Conceptual Plan meets the Priority 1 goals developed by the Co-Trustees and work groups to provide safe drinking water, protect and improve groundwater quality, protect, and maintain groundwater quantity, and minimize long-term cost burdens for communities. The four pillars of the Conceptual Plan are:

1. **Comprehensive** – Addresses both tap water and groundwater (the source itself)
2. **Safe and Sustainable** – Protects drinking water immediately and long-term
3. **Resilient** – Adaptable to new information and data on PFAS
4. **Flexible** – Allows for flexible funding in communities

The major funding categories include capital infrastructure, operation and maintenance (O&M), and drinking water protection. The Conceptual Plan treats drinking water wells with an exceedance of Health Risk Limits (HRLs) and Health Based Values (HBVs), which are the current PFAS drinking water values set by the Minnesota Department of Health (MDH). The Conceptual Plan also includes contingency funds for cost overruns, future treatment, and new drinking water sources. Finally, the funding reallocation strategy helps manage potential future shortfalls and surpluses as costs are refined during implementation.

Figure 2: Priority 1 funding categories



The Conceptual Plan's community projects include building new or expanded water treatment plants, installing whole-home water filter systems, connecting homes to public water supplies, and building or enhancing connections between existing community water treatment systems.

It is important to note that everyone covered by the Settlement currently has access to its funds to provide safe drinking water. When Settlement funds are depleted in the future, the 2007 Consent Order (a separate legal agreement with 3M Company) provides funding for treatment for any drinking water wells that exceeds health-based guidance (HRLs and HBVs). A summary of the Consent Order can be found here: <https://www.pca.state.mn.us/local-sites-and-projects/east-metro-3m-pfas-contamination>.

Implementing the Conceptual Plan

Communities have been able to access grant funding for municipal capital drinking water infrastructure planning and design, construction, and O&M through an implementation process immediately upon release of the Conceptual Plan. The implementation phase is driven by communities over multiple years as they choose to access grant funding and move through the grant process. For individuals on private wells, the MPCA continues to use its contractors to sample wells and manage the installation and maintenance of whole home treatment systems.

As of June 30, 2025, the State has spent \$237,854,688 in Settlement funding and from interest earned. This includes the last remaining payments on expedited projects that were approved for implementation before the Conceptual Plan was final, as they were time sensitive and were consistent with the Conceptual Plan. A total of \$91,284,170 was spent last fiscal year July 1, 2024 through June 30, 2025. An annual expenditures summary is included at the end of this report.

Spending during this period includes:

- **Capital funding (\$79,747,919)** spent on planning, design, and construction for water treatment plants in Cottage Grove, Lake Elmo, Woodbury and Cimarron Park; acquisition of a water treatment plant site in Hastings; construction of an interconnect for Newport and pipelines in Cottage Grove, St. Paul Park and Woodbury; water system modelling in Oakdale; and feasibility studies for Eagle's Watch in Denmark Township and Newport. Capital funds were also spent on installing whole-home water filter systems also called point-of-entry treatment systems (POETS) for private wells over the treatment threshold in communities across the east metropolitan area. Two projects were completed this year in Cottage Grove and Newport that included connecting homes to municipal water with capital funds. Construction-related costs for temporary treatment of additional wells in Cottage Grove and Woodbury to meet their water demand until the permanent water treatment plants are in place were also Capital expenditures.
- **O&M funding (\$6,368,780)** spent on operation and maintenance at temporary treatment systems in Oakdale, Cottage Grove, and Woodbury. O&M funding also was spent on water treatment in St. Paul Park. Approximately \$1M was spent to maintain granular activated carbon (GAC) filters in POETS across the East Metropolitan area.
- **Drinking water protection funding (\$3,359,497)** spent on Project 1007, including contractor support for the feasibility study, and laboratory costs for municipal system PFAS sampling and residential well sampling.
- **Contingency (\$268,122)** spent on completion of projects to extend water mains and connect homes to the municipal drinking water supply system in Lake Elmo. These projects were similar to expedited projects in that they were consistent with the Conceptual Plan, time-sensitive, and reviewed/approved with input from the work groups. However, these projects were funded

with Contingency funds because interest earned (which was to cover the expenses) was not sufficient to cover these projects and maintain the capital allocation.

- **State Administration (\$1,525,800)** spent on administering and implementing the Conceptual Plan, including state and contractor review and development of grant agreements, tracking project implementation progress, annual review and reallocation determination, reporting, and preparing for and holding work group and public meetings. The State is planning for the eventual depletion of Settlement funds, anticipated in 2027, by preparing a path for transition to the 2007 Consent Order between the State of Minnesota and 3M Company.

Using interest earned on Settlement funds, a total of \$14,051 was spent on the remaining expedited project from July 1, 2024 through June 30, 2025. Final payments were made on this project, Lake Elmo's Hamlet on Sunfish Lake extension of municipal water supply.

In addition to the amount reimbursed to communities over the past year, Table 1 identifies grants that have been executed to assist government units in implementing capital projects that align with the Conceptual Plan.

Table 1. Community projects funded July 2024 through June 30, 2025.

Community	Project	Amount funded
Cottage Grove	Intermediate Zone Treatment Plant Construction	\$101,610,295
Cottage Grove	Low Zone Treatment Plant Construction Amendment	\$588,009
Cottage Grove	Low Zone Treatment Plant Operations and Maintenance	\$3,082,035
Cottage Grove	High Zone Raw Water Main	\$5,943,887
Cottage Grove	Cottage Grove-Newport Community Interconnect Amendment	\$27,600
Eagles Watch	Eagles Watch PFAS Feasibility Study	\$36,000
Hastings	Site Acquisition for Central Water Treatment Plant	\$1,440,500
Lake Elmo	Well 2 Expedited Treatment Construction	\$2,283,000
Lake Elmo	South Area Production Wells and Treatment Plant Amendment	\$70,000
Cimarron Park	Water Treatment Plant Planning	\$133,800
Newport	Water Treatment Feasibility Study	\$55,000
Newport	Water System Interconnect Planning and Bidding Amendments	\$78,060
Newport	Water System Interconnect Land Acquisition	\$196,100
Newport	Water System Interconnect Construction	\$1,689,790
Oakdale	Modeling of City Distribution System for Centralized Treatment Plan and POET Inventory Evaluation	\$28,800
Oakdale	Comprehensive Water System Study and Water Treatment Plant Design	\$92,000
Woodbury	Water Treatment Plant Construction and Equipment Pre-Procurement	\$151,974,379
Woodbury	2024 Water Pipelines	\$20,510,822
Woodbury	2025 - 2027 Water Pipelines	\$79,476,000
	Total funded	\$369,316,077

Changing PFAS health values for drinking water

In January 2024, MDH released new Health Based Values (HBVs) for PFOA and PFOS based on new human epidemiology studies. The values were lowered to 2.3 parts per trillion (ppt) for PFOS, based on developmental, liver, and immune effects (non-cancer risk), and 0.0079 ppt for PFOA, based on cancer

risk. HBVs are designed to protect populations – such as infants, developing fetuses, and pregnant individuals – most vulnerable to the potentially harmful effects of a chemical. The updated HBVs are non-regulatory values designed to provide context and guidance for policy makers. However, HBVs do apply when it comes to making decisions about the safety of private drinking water wells. For more information: [Reducing Exposures: Per- and Polyfluoroalkyl substances \(PFAS\)](#).

On April 10, 2024, the U.S. Environmental Protection Agency (EPA) announced final National Primary Drinking Water Regulations for six PFAS chemicals. The regulations include enforceable maximum contaminant levels (MCLs) and a hazard index (HI) that accounts for additive health effects for two or more PFAS. The MCL for PFOA and PFOS is set at 4.0 ppt, PFHxS at 10 ppt, and the HI at 1 (unitless). Presently, public water systems will need to test their water for PFAS, inform the public of the results and comply with the MCLs within five years. However, as of May 14, 2025, the EPA plans to develop a rulemaking that provides additional time for compliance. The current proposal extends the compliance date another two years (2031). The EPA also plans to rescind and reconsider the regulatory determinations for PFHxS, PFNA, HFPO-DA (commonly known as GenX) and the hazard index calculation of these three and PFBS. The initial regulation will apply until the new regulations are finalized.

The MDH has been working with communities to increase sampling at public wells, and MPCA continues to sample private wells based on plume location and resident requests.

Overall project cost increases

Since the State of Minnesota and 3M Company settled in October 2018 and the Conceptual Plan was completed in August 2021, project costs have significantly increased. Due to these cost increases, the Settlement is being spent at an expedited rate and as a result the end of the Settlement funds is expected much sooner than previously anticipated. Communities are impacted by the new HBVs, HRLs and MCLs, inflation, and material cost increases. Even though the Conceptual Plan was built with a degree of resiliency with conservative assumptions, contingency, and reallocation options, it is not enough to account for all of these cost increases.

An additional factor includes the lower HBVs impacting the municipal wells. More municipal wells have exceeded HBVs than initially projected in the conceptual plan. The costs therefore have increased to account for planning, design and projected treatment for these wells. Lower HBVs also impact the private well sampling program. The MPCA has been resampling wells with improved testing capabilities. A number of wells were also sampled for the first time in areas that were previously thought to have no PFAS impacts. Over the last year, approximately 920 wells were issued a well advisory and now need treatment. With more wells needing treatment, the number of treatment systems needing annual maintenance also increases. While residents wait for the installation of their treatment system, bottled water is offered as an alternative drinking water source. This is another area where costs are increasing.

During this reporting period, MPCA determined with sufficient data and evidence that the contamination of Hastings' well #5 can be traced back to the 3M Cottage Grove site. In order for a community to be Settlement eligible, there must be a clear link between PFAS contamination and one of the four sites (3M's Cottage Grove, Woodbury, Oakdale sites and the Washington County landfill). This is the same criteria used to allow other communities to be eligible for the 3M Settlement funds that were not specifically named in the Settlement. (e.g., Lakeland, Lakeland Shores, Maplewood, Prairie Island Indian Community, and Denmark Township). In Hastings, well #5 is the only well to get this designation. However, 3M under the direction and oversight of the MPCA is determining if additional wells in Hastings are impacted by 3M's four disposal sites.

Capital infrastructure costs projected over the next several years surpass Settlement dollars available. Additional information can be found within the most recent presentations to the Priority 1 work groups, <https://3msettlement.state.mn.us/work-groups/priority-1-government-and-3m-working-group>. Project management tools have been built to pinpoint the date the Settlement funds will be entirely committed through grants and work orders. The date is updated when grants are signed and projections become reality. The Co-Trustees are in mediation with 3M Company regarding the eventual transition from Settlement funds to the 2007 Consent Order.

Private well sampling program

There are approximately 7,000 – 8,000 residential wells in the East Metropolitan area. In accordance with the Conceptual Plan, the state tests drinking water for PFAS, issues well advisories, and provides temporary bottled water to residents until a point-of-entry treatment system is placed in the home or the residence is connected to city water. In the past year, 1,267 samples were collected, 254 new POET systems were installed, and 1,101 POETS were maintained by exchanging the carbon filters.¹ There has been an increase in sampling requests and samples taken over the past reporting period. In 2024, the requests and samples tripled compared to the previous year. There is additional information within the [Private Well Sampling Memo \(2024\)](#). Due to a large increase in wells sampled, there is a significant backlog to install POETS. MPCA is working on adding additional contractors to the project to address the backlog. Bottled water is provided to residents waiting for their POETS.

Project 1007 PFAS Conveyance Feasibility Study

Investigations continue for Project 1007, an area in the north-central portion of Washington County, as part of Priority 1 of the Settlement.

Project 1007 is a system of pipes, open channels, catch basins, and two dams that direct the flow of water from the Tri-Lakes (DeMontreville, Olson, and Jane) area to the St. Croix River. It also uses several lakes and creeks to connect to the St. Croix River. One of those creeks, Raleigh Creek, flows through the former 3M Oakdale disposal site. Additionally, beginning in the late 1980s until the early 1990s, untreated water from the Washington County Landfill was discharged to Project 1007. The purpose of the investigation, as written in the Settlement, is to understand how Project 1007 is contributing to PFAS contamination in drinking water resources in the east metropolitan area. The results of the investigation completed through fiscal year 2025 are being used to evaluate long-term drinking water protection options and are being documented in a feasibility study report. The progress reports and supporting documents are available on the Project 1007 webpage: <https://3msettlement.state.mn.us/project-1007>.

The Project 1007 source assessment and feasibility study investigation has led to a better understanding of PFAS movement from surface water into sediment and further into groundwater and drinking water resources. Large sets of data have been collected across the Project 1007 corridor and data analysis has confirmed PFAS impacts to surface water, sediment, surface water foam, and groundwater.

PFAS contamination continues to move through surface water and groundwater pathways from the Oakdale Disposal Site. The MPCA is working to address the ongoing impacts from the Oakdale Disposal

¹ The Private Well Sampling Memo reports data from calendar year 2024. Numbers will be different from this report summarizing data from fiscal year 2025

Site under the 2007 Consent Order with 3M Company. The MPCA is also working to characterize the magnitude and extent of impacts from the Washington County Landfill to groundwater and surface water in the surrounding area.

The following Project 1007 feasibility study activities were conducted since the October 2024 legislative report:

- Continued monitoring of the Project 1007 surface water and groundwater monitoring well network.
- Additional deep and shallow monitoring wells were installed in the area surrounding the Washington County Landfill to continue to refine the understanding of contaminant distribution and movement within the affected drinking water aquifers in the east metropolitan area.
- Additional surface water sampling locations were added in Lake Elmo and Oakdale to better understand contaminant distribution and movement around the Tri-Lakes.
- Completed the Surface Active Foam Fractionation (SAFF) pilot study in Tablyn Park. The results of the pilot study will be published as an appendix to the feasibility study report. The SAFF system has been relocated to the Washington County Landfill.
- Continued drafting and review of the feasibility study report.

The feasibility study is planned to be completed by the end of calendar year 2025. The report will outline a detailed analysis of remedial technologies and alternatives that can reduce the spread of PFAS from the Project 1007 conveyance. These remedial technologies, if implemented, will result in long-term drinking water resource protection in the East Metropolitan Area. Recommended actions to reduce or limit the spread of PFAS will be based on the ability to implement short- or long-term actions; ability to reduce toxicity, mobility, or volume of contamination; cost effectiveness; and other reasonable and appropriate actions necessary in the overall protection of human health and the environment.

Temporary drinking water treatment solutions

Under terms of the Settlement, 3M was to provide up to \$40 million for a period of up to five years (February 20, 2018 – February 20, 2023), whichever came first, to fund temporary drinking water solutions until the long-term plan was in place. The \$40 million was separate from the \$850 million Settlement grant amount. In total, MPCA recovered near \$30 million from 3M in costs related to municipal temporary treatment systems, along with expenses to provide bottled water until individual home GAC treatment systems were installed from February 20, 2018 to February 20, 2023.

Since this provision expired on February 20, 2023, Settlement funds are now used to fund remaining and future temporary treatment construction and O&M costs. The temporary treatment systems will be utilized until the long-term water treatment systems are in place. Future requests for temporary treatment systems will be evaluated on a case-by-case basis. O&M costs from temporary treatment plants are paid for out of the O&M allocation.

Investment planning

The State Board of Investments (SBI) approved the Co-Trustees' investment strategy for Priority 1 funds at the May 2022 SBI Board Meeting. The Settlement funds are currently being held in a non-retirement, cash account accruing interest. The investment of the Settlement funds has earned 4.9% interest resulting in \$29,150,675 earned during this reporting period. Now that the Co-Trustees have a better understanding on potential financial impacts to the Conceptual Plan based on new/updated HBVs, new MCLs, inflation, material cost increases, and the transition path to the 2007 Consent Order, funds will be

transferred to their respective allocations, which are outlined in the funding strategy linked below. The Co-Trustees intend to inform the work group members and the Legislature of any adjustments in the investment strategy that may occur.

A detailed outline of the overall investment strategy was presented to the work groups in May 2022, and can be found here: <https://3msettlement.state.mn.us/sites/3msettlement/files/2023-06/May-2022-investment-plan-handout.pdf>

Priority 2 planning

The terms of the 2018 3M Settlement specify that \$20 million is immediately available for Priority 2 project funding. The DNR and MPCA began planning for Priority 2 in 2023, which provides funding to restore and enhance water resources, wildlife, habitat, fish and other aquatic resources, resource improvement, and outdoor recreational opportunities in the east metropolitan area and in downstream areas of the Mississippi and St. Croix Rivers.

During 2025, the DNR and MPCA continued planning efforts for Priority 2 and successfully released a competitive Request for Proposal (RFP) to identify restoration projects that align with Priority 2 goals:

- **Goal 1** – Restore, protect, and enhance aquatic and terrestrial resources, wildlife, and habitats.
- **Goal 2** – Increase understanding of fish tissue contamination, improve communication about PFAS-based fish consumption advisories, and identify and enhance alternative, non-contaminated fishing areas.
- **Goal 3** – Improve and enhance outdoor recreational opportunities.

The RFP follows a two-phase process. In Phase One, applicants submitted a Letter of Intent outlining their proposed project activities and estimated grant funding request. A total of 82 letters were received, representing approximately \$72 million in requested funding. These submissions were evaluated using eight screening criteria developed collaboratively with the Priority 2 Resident and Government/3M work groups. Projects that met the screening requirements were invited to proceed to Phase Two by submitting a full grant application.

The Phase Two applications are due by October 8, 2025. A joint team from the DNR and MPCA will review and evaluate each application based on established criteria. The evaluation process will extend into calendar year 2026. Final project selections will be made by the commissioners of the MPCA and DNR, and the DNR will negotiate grant agreements with the successful applicants.

Expenditures for Priority 1

Expenses related to implementation of the 3M Settlement: Original grant: \$700,000,000

This report covers the last fiscal year, which is the period between July 1, 2024, and June 30, 2025.

Balance: July 1, 2024	\$650,518,707²
Revenue: Interest earned	\$29,150,675
Subtotal:	\$679,669,382
Expenditures: July 1, 2024 – June 30, 2025 (See list of expenditures below.)	(\$91,284,170)
Balance: June 30, 2025	\$588,385,212

² Interest earned in 2024 was under reported in the 2024 3M Settlement Legislative Report by \$21,198,240 due to a double counting error. The starting amount in FY 2025 accounts for the error.

Annual expenditures summary for fiscal year 2025

Priority 1

Annual Expenditures FY25:	
Category	Amount
Capital	
Community grant funded projects	\$78,099,210
Private well treatment	\$1,648,710
O&M	
O&M temporary and permanent treatment systems	\$5,501,582
Private well O&M	\$867,198
Drinking Water Protection	
Project 1007	\$2,436,884
Private well sampling	\$922,613
Contingency	
Projects prior to release of Conceptual Plan	\$268,122
State Administration (staff and operational costs)	
State agencies	\$963,154
Consultants (Abt & WSP)	\$562,647
Interest Spending	
Expedited projects	\$14,051
Total Expenditures (as of June 30, 2025)	\$91,284,170
Balance (as of June 30, 2025)	\$588,385,212

Expenditures for Priority 2

Expenses related to implementation of the 3M Settlement: Original grant: \$20,000,000.

This report covers the period July 1, 2024 – June 30, 2025.

Balance: July 1, 2024	\$21,801,518
Revenue: Interest earned	\$953,341
Subtotal:	\$22,754,859
Expenditures: July 1, 2024 – June 30, 2025 (See list of expenditures below)	(\$204,490)
Balance: June 30, 2025	\$22,550,369

<i>Category</i>	<i>Amount</i>
<i>State Administration (staff and operational costs)</i>	
State agencies	\$101,370
Consultants (Abt Global)	\$103,120
<i>Total Expenditures (as of June 30, 2025)</i>	<i>(\$204,490)</i>
Balance (as of June 30, 2025)	\$22,550,369

FY2026: Co-Trustee spending plan

The spending plan includes MPCA and DNR direct staff and contractual expenses to manage and implement the 3M Settlement, including projects identified in the final plan. The plan project costs include implementation of capital planning and design work, other drinking water infrastructure improvement work (such as expedited and request for funding projects), O&M for long-term treatment systems, and reimbursements to homeowners for individual connections to a municipal system, whole house treatment system removal, and private well sealing.

Estimated costs for FY2026:

Category	Amount
<i>Capital</i>	
Community grant funded projects	\$161,150,000
Private well treatment	\$995,250
<i>O&M</i>	
O&M for temporary and permanent systems	\$3,059,550
Private well O&M	\$1,462,300
<i>Drinking Water Protection</i>	
Project 1007	\$1,500,000
East Metro well sampling and oversight	\$1,000,000
<i>Contingency</i>	\$0
<i>State Administration – staff and operational costs (Priority 1 and Priority 2)</i>	
State agencies	\$1,150,000
Consultants (Abt & WSP)	\$650,000
<i>Interest Spending</i>	
Expedited projects	\$0
Total estimated costs for FY26	\$170,967,100