



REPORT TO THE
LEGISLATURE

OCTOBER 2026

3M Settlement annual report and spending plan for fiscal year 2027

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. Through the State Board of Investment, the 3M Settlement has earned over \$100 million dollars in earnings and interest since the release of the Conceptual Drinking Water Supply Plan. Therefore, this report documents the current spending of the approximate \$820 million.

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*.

Summary

This is an annual report on the progress of spending the 3M Settlement on safe drinking water and natural resources projects within 3M Settlement eligible communities. Below are the updates of mention for this year's report:

- Referring to \$800 million dollars for Priority 1 rather than \$700 million due to interest and investment earnings
- The inclusion of Baytown Township as a 3M Settlement eligible community FY 2026
- EPA's action on rules that impact compliance dates for PFAS values in drinking water
- Project 1007's Feasibility study completion
- The selection of Priority 2 projects to restore and enhance natural resources

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Background

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 remained. Since that time, the 3M Settlement dollars have earned over \$100 million dollars in investment interest through the State Board of Investment. Approximately \$820 million is being used 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.

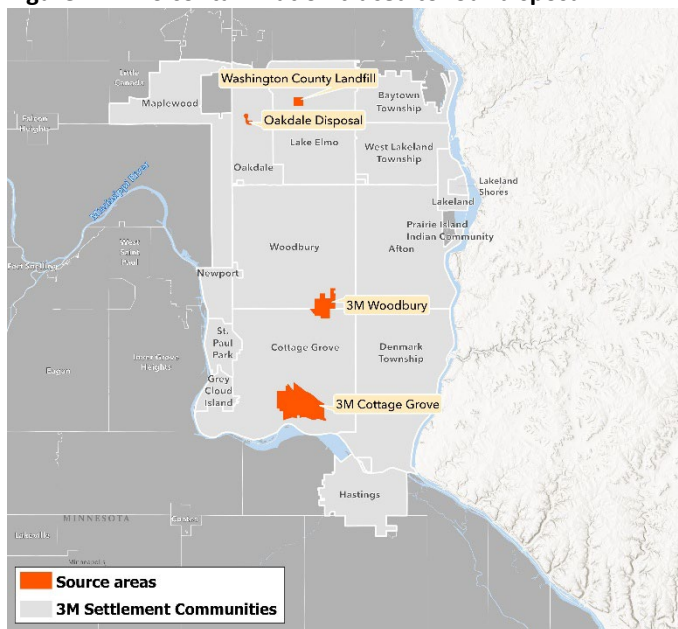
Priority 1 — Ensure safe and sustainable drinking water

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 Baytown, 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.

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.

Figure 1: PFAS contamination traced to four disposal



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 3M 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 each from the MPCA, DNR, 3M and Washington County and one representative from each of the 16 affected east metropolitan area communities. The Citizen-Business Group is composed of one member each from the MPCA and DNR, along with 16 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 \(state.mn.us\)](https://www.pca.state.mn.us/local-sites-and-projects/east-metro-3m-pfas-contamination).

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.

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 connections between existing community water treatment systems.

It is important to note that everyone covered by the 3M Settlement currently has access to its funds to provide safe drinking water. When 3M 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 has been 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, 2026, the State has spent \$400,274,596 in 3M 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 \$162,419,908.67 was spent last fiscal year July 1, 2025 through June 30, 2026. An annual expenditures summary is included at the end of this report.

Spending during this period includes:

- **Capital funding (\$153,644,246)** spent on planning, design, and construction for water treatment plants in Cottage Grove, Hastings, Lake Elmo, and Woodbury; construction of an interconnect for Newport and pipelines in Cottage Grove, St. Paul Park and Woodbury; completion of water system modeling in Oakdale; feasibility studies in Cimarron Park and Newport and completion of a feasibility study for Eagle's Watch in Denmark Township. 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, or a connection to municipal system and well sealing in communities across the east metropolitan area. In Cottage Grove capital expenditures were spent for the completion of construction for temporary treatment of additional wells and the planning for the decommissioning of temporary treatment at wells now being serviced by the operating permanent treatment system.
- **O&M funding (\$5,062,624)** spent on operation and maintenance (O&M) at temporary treatment systems in Oakdale, Cottage Grove, and Woodbury. O&M funding also was spent on water treatment in St. Paul Park and Lake Elmo. Approximately \$1.7 million was spent to maintain granular activated carbon (GAC) filters in POETS across the east metropolitan area.
- **Drinking water protection funding (\$2,031,331)** spent on Project 1007, including contractor support for the feasibility study, and laboratory costs for municipal system PFAS sampling and residential well sampling.
- **Contingency (\$12,311)** spent on completion of the Parkview Estates project to extend water mains and connect homes to the municipal drinking water supply system in Lake Elmo. This project was similar to expedited projects in that it was consistent with the Conceptual Plan, time-sensitive, and reviewed/approved with input from the work groups. However, this project was funded with Contingency funds because interest earned (which was to cover the expenses) was not sufficient to cover neighborhood connection projects and maintain the capital allocation.
- **State Administration (\$1,669,397)** 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 3M Settlement funds, by preparing a path for transition to the 2007 Consent Order between the State of Minnesota and 3M Company. Mediation expenses for those discussions are included in State Administration.

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. New community projects funded July 2025 through June 30, 2026.

Community	Project	Amount funded
City of Oakdale	Wells 11 and 12 planning grant	\$500,000
Hastings	WTP construction	\$13,686,726
City of Lake Elmo	Well 2 Water Treatment Plant O&M	\$596,500
City of Lake Elmo	North (wells 4 & 5) Water Treatment Plant (WTP) planning grant	\$48,000
City of Cottage Grove	Cottage Grove Connections to City Water	\$261,400
City of Cottage Grove	Well 10 Temporary Treatment Plant Decommissioning/Demolition	\$59,800
City of Cottage Grove	Raw Water Main to Wells 3,4,5,7,8	\$96,800
City of Cottage Grove	Temporary Well Treatment Operations and Maintenance	\$5,500,000
City of Oakdale	City of Oakdale Operational and Administrative Costs of a Treatment System (Wells 5, 7 and 9)	\$1,929,000
City of Oakdale	WTP Planning and Design grant	\$480,000
	Total funded	\$23,158,226

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. Previously, MDH set HBVs to 35 ppt and 15 ppt for PFOA and PFOS respectively. Health Based Values 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 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 16, 2026, the EPA announced a proposed rulemaking that provides additional time for compliance, allowing eligible public water systems to apply for a two-year delay to year 2031. At the same time, EPA also proposed a rule to rescind 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 3M Settlement fund 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 and MCLs impacting the community wells. More municipal wells have exceeded HBVs and MCLs 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 758 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 private wells within Baytown Township can be traced to the co-mingled PFAS plume from Oakdale Disposal Site and Washington County Landfill. As a result, the 3M Settlement fund is now covering the cost of sampling, treating, and maintaining private drinking water wells impacted by PFAS in Baytown Township. In order for a community to be 3M 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 3M Settlement. (e.g., Lakeland, Lakeland Shores, Maplewood, Prairie Island Indian Community, Hastings well 5 and Denmark Township).

Capital infrastructure costs projected over the next several years surpass 3M 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 3M 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 3M 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 (POET) system is placed in the home or the residence is connected to city water. In the past fiscal year, 636 samples were collected, 189 new POET systems were installed, and 1,335 POETS were maintained by exchanging the carbon

filters.¹ There is additional information within the [Private Well Sampling Memo \(2025\)](#). Due to a large increase in wells sampled and advisories issued in fiscal year 2025, there is a significant backlog to install POETS. The MPCA is adding additional contractors to the project to address the backlog and will have more information on this in the upcoming 2026 Private Well Sampling Memo.

Project 1007 PFAS Conveyance Feasibility Study

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 of Lake Elmo to the St. Croix River. It also uses several surface water bodies to move water to the river, including Raleigh Creek which 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 source assessment and feasibility study, as written in the 3M Settlement, is to understand how Project 1007 is contributing to PFAS contamination in drinking water resources in the east metropolitan area.

After approximately seven years of investigation and data analysis, the Project 1007 source assessment and feasibility study was finalized and published to the Project 1007 webpage in May 2026. Alongside the full report, a story map was also published summarizing the investigation, results, and recommended remedial alternatives. The report provides an in-depth analysis of remedial technologies and alternatives that can reduce the spread of PFAS throughout the Project 1007 area. These remedial technologies, if implemented, will result in long-term drinking water resource protection in the east metropolitan area. The feasibility study, story map, 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 Site under the 2007 CO with 3M Company. The MPCA is also working to characterize the extent and magnitude 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 2025 legislative report:

- Continued monitoring of the Project 1007 surface water and groundwater monitoring well network.
- Additional deep and shallow monitoring wells were installed to fill data gaps in Woodbury to continue to refine the understanding of contaminant distribution and movement within the affected drinking water aquifers in the east metropolitan area.
- MPCA issued a request for proposals for non-targeted analysis to aid in determining the extent and magnitude of impacts associated with the Washington County Landfill; MPCA expects to

¹ The Private Well Sampling Memo reports data from calendar year 2025. Numbers will be different from this report summarizing data from fiscal year 2026

finalize a contract by the end of first quarter and hopes to have preliminary results by the end of FY27.

- Completed and published the feasibility study report and story map

Temporary drinking water treatment solutions

Under terms of the 3M 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 3M Settlement grant amount. In total, MPCA recovered nearly \$30 million from 3M to cover the costs of municipal temporary treatment systems and the provision of bottled water for residents until home POET systems were installed from February 20, 2018 to February 20, 2023.

Since this provision expired on February 20, 2023, 3M Settlement funds are now used to fund remaining 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 3M Settlement funds are currently being held in a non-retirement, cash account accruing interest. The investment of the 3M Settlement funds has earned 4.9% interest resulting in \$20,434,913 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 future 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 and implementation

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.

The DNR and MPCA continued planning efforts for Priority 2 and successfully released a competitive Request for Proposal (RFP) in February 2025 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.

Throughout FY26, DNR and MPCA facilitated the grant application process, culminating in award notifications for 26 grants at the end of FY26. The RFP followed 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 and screened for eligibility. Of the 82 letters received, 67 projects met the screening requirements, and in July 2025 those project proposers were invited to submit a full grant application.

The DNR and MPCA hosted a workshop for grant applicants on August 12, 2025, and actively responded to questions during the application period, posting responses on the public-facing webpage. Full applications were due October 8, 2025.

Of the 67 projects, 56 grant applications were received. The three-person evaluation team reviewed and scored each application, and recommendations were presented to the co-trustees and commissioners of the MPCA and DNR for approval. A news release announcing grant awards was issued on July 1, 2026. The DNR will be finalizing grant agreements throughout late calendar year 2026.

A list of the project proposals approved for funding is available on the DNR 3M PFAS Settlement Priority 2 Projects webpage (<https://3msettlement.state.mn.us/priority-2-projects>). Additional project details will be added to the webpage after all grant agreements are executed.

Table 2. Priority 2 projects awarded

Community	Project
Baztec Fishing and Outdoors	Fishing related educational programming
Belwin Conservancy	Improvements to Oxbow Trails in Afton
City of Cottage Grove	Development of Mississippi Dunes Park
City of Newport	Development of Riverfront Park at Cedar Lane
City of Oakdale	Improvements to Passages of Oakdale, a park in the city of Oakdale
City of Oakdale	Habitat restoration in nine city parks
City of Woodbury	Improvements to La Lake Park, North Campus
City of Woodbury	Habitat restoration in Tamarack Nature Preserve
Dakota County	Habitat restoration in Spring Lake Park Reserve
Dakota County	River access improvements, Kaposia Landing in South St. Paul
Fishing For Life	Fishing related educational programming
Freshwater	PFAS testing and development of consumption guidelines for several plant and fish species, in partnership with Prairie Island Indian Community
Friends of the Mississippi River	Habitat restoration in Cottage Grove Ravine Regional Park
Middle St Croix Watershed Management Organization	Habitat and trail restoration, Valley View Park in Oak Park Heights

Rainbow Research, Inc.	Expand PFAS awareness within African American communities and development of guidance materials, in partnership with MDH
Ramsey County Parks and Recreation Department	Beaver Lake County Park Fishing and Recreation improvements
Ramsey County Parks and Recreation Department	Invasive phragmites control throughout Ramsey County
Ramsey County Parks and Recreation Department	Habitat/shoreline restoration in Beaver Lake County Park
Ramsey County Parks and Recreation Department	Habitat/shoreline restoration in Kohlman Creek and Lake Watershed
Ramsey County Parks and Recreation Department	Habitat/shoreline restoration in Keller Regional Park and Lake Gervais County Park
Ramsey County Parks and Recreation Department	Habitat restoration in Battle Creek Regional Park
Ramsey-Washington Metro Watershed District	Stream restoration of tributary of Fish Creek in Maplewood
South Washington Watershed District	Island creation and habitat restoration in Grey Cloud Slough, in partnership with USACE
Valley Branch Watershed District	Chloride reduction/source control throughout water

Expenditures for Priority 1

Expenses related to implementation of the 3M Settlement: Original grant with interest added:
\$800,000,000

This report covers the last fiscal year, which is the period between July 1, 2025, and June 30, 2026.

Balance: July 1, 2025	\$588,385,212
Revenue: Interest earned	\$20,434,913
Subtotal:	\$608,820,125
Expenditures: July 1, 2024 – June 30, 2025 (See list of expenditures below.)	(\$162,419,909)
Balance: June 30, 2026	\$446,400,216

Annual expenditures summary for fiscal year 2026

Priority 1

Annual Expenditures FY26:	
Category	Amount
Capital	
Community grant funded projects	\$151,826,781
Private well treatment	\$1,817,465
O&M	
O&M temporary and permanent treatment systems	\$3,333,704
Private well O&M	\$1,728,919
Drinking Water Protection	
Project 1007	\$1,394,626
Private and municipal well sampling	\$636,705
Contingency	
Projects prior to release of Conceptual Plan	\$12,312
State Administration (staff and operational costs)	
State agencies	\$1,103,708
Consultants (Abt & WSP)	\$565,689
Interest Spending	
Expedited projects	\$0
Total Expenditures (as of June 30, 2026)	\$162,419,909
Balance (as of June 30, 2026)	\$446,400,216

Expenditures for Priority 2

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

This report covers the period July 1, 2025 – June 30, 2026.

Balance: July 1, 2025	\$22,534,930
Revenue: Interest earned	\$839,418
Subtotal:	\$23,374,348
Expenditures: July 1, 2025 – June 30, 2026 (See list of expenditures below)	(\$336,842)
Balance: June 30, 2026	\$23,037,506

<i>Category</i>	<i>Amount</i>
<i>State Administration (staff and operational costs)</i>	
State agencies	\$154,482
Consultants (Abt Global)	\$182,360
<i>Total Expenditures (as of June 30, 2026)</i>	<i>(\$336,842)</i>
Balance (as of June 30, 2026)	\$23,037,506

FY2027: 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, design and construction work, O&M for temporary and long-term treatment systems, whole house treatment system, installations, filter exchanges, and removals. Drinking water protection funds for private and municipal well sampling, and plume monitoring. Priority 2 efforts will involve early coordination with grantees on the 26 awarded projects, pre-award risk assessments, and execution of grant agreements. We expect some early phases of project implementation in the later part of FY27.

Estimated costs for FY2027:

Category	Amount
<i>Capital/Contingency</i>	
Community grant funded projects	\$117,700,000
Private well treatment	\$4,400,000
<i>O&M</i>	
O&M for temporary and permanent systems	\$3,640,000
Private well O&M	\$5,272,000
<i>Drinking Water Protection</i>	
Plume monitoring	\$1,000,000
East Metro well sampling and oversight	\$1,000,000
<i>State Administration – staff and operational costs (Priority 1 and Priority 2)</i>	
State agencies	\$1,330,000
Consultants (Abt & WSP)	\$1,368,000
<i>Interest Spending</i>	\$0
<i>Priority 2 Grants</i>	
Project reimbursements	\$1,000,000
Total estimated costs for FY27	\$133,434,000