



City Council Memorandum

To: Mayor Fasbender & City Councilmembers
From: City Administrator Dan Wietecha
Date: May 6, 2024
Item: PFAS Update

Council Action Requested:

Informational memo, no action requested at this time.

Background Information

Hastings has PFAS contamination all six of our municipal wells (specifically PFOA in all six wells and PFOS in two wells). The City has completed a Feasibility Study to consider alternatives to mitigate the PFAS. The study recommended construction of three decentralized water treatment plants for PFAS and Nitrates. The construction cost estimate is \$68.9M, and the City has been exploring and pursuing multiple opportunities to offset this “budget buster” expense.

Key Updates

Information Meeting: We will host a PFAS Information Meeting with presentations and a Q&A session by Minnesota Department of Health, Minnesota Pollution Control Agency, and City of Hastings.

6 pm Thursday, May 9
Hastings High School Auditorium

For those unable to attend in person, the meeting will also be livestreamed on the HCTV YouTube channel at www.youtube.com/hastingscommunitytv .

State Capital Budget: The City has submitted PFAS Treatment & Raw Water Lines for consideration in the State’s 2024 Capital Budget due to the budget-busting expense, the fact that the treatment is to remove contamination/pollution caused by others, and the suddenness of new regulations preventing financial planning. Sen. Seeberger and Rep. Hudella have indicated support and introduced SF 3161 and HF 3115.

We had considerable feedback from several legislators that the entire project is very unlikely to be funded, so we have proposed phasing in the project with the present request at \$20.6M for the first phase – one water treatment plant and the Veterans Home interconnect. We had a hearing with the House Capital Investment Committee on April 15. We were visited by the Senate Capital Investment Committee in November 2023.

We remain optimistic as the Legislature enters the final weeks of the session.

Congressionally Directed Spending: On April 26 and 29, we submitted requests of Senator Klobuchar, Senator Smith, and Representative Craig for \$10.3M (50%) of the first phase of the project. This amount is higher than typically funded. In conversation with staff, decision on Congressionally Directed Spending (also known as Community Project Funding) could occur between May and October.

Other Funding: In 2023, the City submitted the project for the State’s Drinking Water Revolving Fund Project Priority List (PPL). On May 1, 2024, we re-submitted to correct errors which will result in our ranking at or near the top of the list. Additionally, we will submit the project for the Intended Use Plan (IUP) in early June. Although the Drinking Water Revolving Fund is not our preferred funding source, it has the possibility of a \$3M Emerging Contaminants Grant (maybe \$9M if the project were broken into three phases).

The Finance Committee of the City Council has its first budget planning meeting on May 13. The City Council will have a budget workshop in June. Potential water rate increases will be part of the discussions.

Environmental Investigation: At present we have two environmental investigations underway. The City has been working with the MPCA on Phase I and Phase II environmental site assessments; these are intended to review and hopefully narrow the possible sources of PFAS specific to the Hastings area and are showing promise. The Phase I ESA found a proprietary compound HQ-115/TFSI produced at 3M-Cottage Grove in one of the Hastings municipal wells. Updated mapping of the Minnesota Geologic Survey shows faults in the bedrock under the Mississippi River. The Phase II ESA is ongoing with additional sampling wells being drilled.

Additionally, the MPCA has requested 3M to investigate its discharge specific to the Hastings area. 3M’s initial work was completed in late March, and MPCA and 3M have met to review it. The investigation confirmed the PFOA and PFOS similar to prior samples in the City’s drinking water as well as the presence of HQ-115/TFSI in one of our wells. 3M proposed and MPCA agreed on additional chemical evaluation of the PFOA and possible additional investigation. A new work plan for the additional investigation is expected in mid May.

Financial Impact:

Not applicable

Committee Discussion:

Not applicable

Attachments:

Not applicable