

**Hastings, Minnesota
City Council Workshop
April 1, 2024**

The City Council of the City of Hastings, Minnesota met in a workshop on Monday, April 1, 2024, at 5:30 p.m. in the Volunteer Room at the Hastings City Hall, 101 East 4th Street, Hastings, Minnesota.

Members Present: Mayor Fasbender, Councilmembers Fox, Haus, Lawrence, Leifeld, Pemble, and Vihrachoff

Members Absent: None

Staff Present: City Administrator Dan Wietecha
Assistant City Administrator Kelly Murtaugh
Public Works Director Ryan Stempski

Mayor Fasbender called the workshop to order at 5:33 pm and welcomed councilmembers and staff.

Overview

Stempski reviewed the PFAS (PFOA & PFOS chemicals) situation in the City as well as the impacts of PFAS on human health. Stempski shared the PFAS levels in the City that are sampled regularly. The chemistry of the water and PFAS levels have been relatively consistent over the years, but the allowable levels are changing. Pending new limits from the EPA, compliance will require that we mitigate to 4 parts per trillion—the current levels in the Hastings wells are near or above this.

A Feasibility Study has been completed to gain insight into how the City would seek to mitigate. The most feasible option is a decentralized approach using three treatment plants: located in the Industrial Park, Lions Park, and Wallin Park. The treatment plants would remove both PFAS and nitrates. The project would take from 2024-2027 to phase in construction of one plant per year for three years. There will also be an interconnect with the Veterans Home as part of first phase of the project.

Council discussion on bandwidth of the Public Works team to handle the many simultaneous major projects within the City. Stempski indicated that much of the planning and design of many of the projects utilizes external contractors in consultation with City staff.

Currently in design for Water Treatment Plant 1, located in the industrial park to serve Wells 6 & 8, as well as connecting the Veterans Home. Next, Water Treatment Plant 2 would serve Wells 3, 5, and 7 and will be in Lions Park (near Well 3). Lastly, WTP 3 will serve Wells 4 & 9 (future well) and will be in Wallin Park.

Council discussion on access to the WTP for trucks and the size of the buildings housing the WTP. Stempski indicated that the intent is to do a good job on the first one and then use that to

inform and improve the next two. The buildings need to be tall to accommodate treatment structures and the plan is to make the structure fit into the neighborhoods and the zoning requirements.

Status

Several key factors are currently in process. We are waiting on the maximum contaminant levels to be officially released by EPA, as well as any associated guidance from MDH. An updated 3M Conceptual Site Model for the Hastings vicinity is due soon. When it is ready, we expect to discuss its effect with the Co-Trustees and the potential of bringing Hastings into the 3M East Metro Settlement. As part of our due diligence and pursuing all funds available, there are two upcoming applications (Project Priority List and Intended Use Plan) with the Drinking Water Revolving Fund an Emerging Contaminants Grant. Pursuing financial support through the State's Capital Budget (State Bonding Bill) is ongoing. We are committed to be "shovel ready" to go out for bids to begin construction of WTP 1 by August 2024.

Cost Information and Funding Strategies

The total project cost is estimated at \$68.9M with operations and maintenance estimated at \$1M annually. The City has received \$3.18M from MPCA Planning and Design Grant.

Council discussion on the potential for increased cost as it will take three phases to complete the project. Increased materials costs were considered in the total estimated costs. Council discussion on phasing of funds vs. seeking full cost from legislature.

3M Settlement: The State's Co-Trustees believe there needs to be direct connection—but this is not required in the 2018 Settlement Agreement or the Minnesota Conceptual Drinking Water Supply Plan. Phase I and II environmental site assessments have been conducted to find (or rule out) other potential sources of the contaminants. HQ-115 is a 3M chemical and has been found in Well #5. Recent Minnesota Geological Survey found cracks in the bedrock that may support groundwater passing below the Mississippi River and/or leaching of the contaminants into the aquifer. The 3M Settlement would only pay for PFAS treatment, not nitrates.

State bonding: Two bills (SF 3161 and HF 3115) need to be slightly amended to the updated cost estimate and to include nitrate treatment. We are encouraging for hearings before the appropriate committees. If the project were funded in phases, funding for first phase would increase the likelihood of being funded in subsequent phases. A question posed by legislators: Can the City contribute financially? To date, the City has paid for the feasibility study, holds the land value, seeks other funding sources including the \$3.18M design grant, and will be responsible for the annual operation and maintenance.

City Funds: Currently, average residential water bill runs \$17.11 per month. If the City were responsible for the entire cost for the mitigation project, the average residential water bill could increase to \$47.93 per month in three years and would continue increasing to \$59.64 per month in 10 years. Council discussion that this would be at the top of Metro Area rates and near the top of Greater Minnesota rates.

Other Funding Options: The City will apply for upcoming applications (Project Priority List and Intended Use Plan) with the Drinking Water Revolving Fund and Emerging Contaminants Grant. The City is also exploring the feasibility of federal Community Project Funding. These options would likely cover a portion, but not all, of the project costs.

ADJOURNMENT

Leifeld, Pemble to adjourn the workshop at 7:00 p.m.

Mary D. Fasbender, Mayor

Kelly Murtaugh, City Clerk