

1.1 moves to amend H.F. No. 3502, the first engrossment, as follows:

1.2 Page 67, delete sections 75 and 76, and insert:

1.3 "Sec. 75. **[115B.52] WATER QUALITY AND SUSTAINABILITY ACCOUNT.**

1.4 Subdivision 1. **Definition.** For purposes of this section and section 115B.53, the term
1.5 "settlement" means the agreement and order entered on February 20, 2018, settling litigation
1.6 commenced by the state against the 3M Company under section 115B.17, subdivision 7.

1.7 Subd. 2. **Establishment.** The water quality and sustainability account is established as
1.8 an account in the remediation fund. The account consists of revenue deposited in the account
1.9 under the terms of the settlement and earnings on the investment of money in the account.
1.10 Money in the account may be invested through the State Board of Investment to ensure
1.11 sufficient clean drinking water supplies are available to residents and businesses in the East
1.12 Metropolitan Area to meet their current and future water needs.

1.13 Subd. 3. **Priorities.** The commissioners of the Pollution Control Agency and natural
1.14 resources must give priority to projects that:

1.15 (1) ensure clean drinking water in sufficient supply to residents and businesses in the
1.16 east metropolitan area to meet their current and future water needs, with priority given to
1.17 projects that address drinking water supplies where health based values or health risk limits
1.18 for per- and poly-fluorinated chemicals have been exceeded; and

1.19 (2) provide water treatment and groundwater recharge to enhance existing municipal
1.20 water supplies and provide connections to municipal drinking water supplies.

1.21 Subd. 4. **Expenditures.** (a) Money in the account is appropriated to the commissioner
1.22 of the Pollution Control Agency and to the commissioner of natural resources for the purposes
1.23 authorized under the settlement.

1.24 (b) The commissioners must ensure that money in the account is spent:

2.1 (1) to enhance the quality, quantity, and sustainability of the drinking water in the east
2.2 metropolitan area, which includes but is not limited to, the cities of Woodbury, Oakdale,
2.3 Lake Elmo, Cottage Grove, St. Paul Park, Afton, Newport, and the townships of West
2.4 Lakeland and Grey Cloud Island;

2.5 (2) only on projects that are technically feasible; and

2.6 (3) in a manner that ensures the priorities identified under subdivision 3 are met and that
2.7 money in the account is sufficient for the long-term operation and maintenance of projects
2.8 meeting the priority established under subdivision 3, clause (1), including ensuring there
2.9 are adequate reserves.

2.10 Subd. 5. **Limitations.** No more than eight percent of the money in the account may be
2.11 spent on state and local administrative expenses and no more than ten percent may be spent
2.12 on studies.

2.13 Subd. 6. **Reporting.** The commissioner of the Pollution Control Agency and the
2.14 commissioner of natural resources must jointly submit:

2.15 (1) by March 1 and November 1 each year, a biannual report to the chairs and ranking
2.16 minority members of the legislative policy and finance committees with jurisdiction over
2.17 environment and natural resources on expenditures from the water quality and sustainability
2.18 account during the previous six months; and

2.19 (2) by November 1 each year, a report to the legislature on expenditures from the water
2.20 quality and sustainability account during the previous fiscal year and a spending plan for
2.21 anticipated expenditures from the account during the current fiscal year.

2.22 Subd. 7. **State authority.** Nothing in this section grants authority to the commissioner
2.23 of the Pollution Control Agency or commissioner of natural resources to assume control or
2.24 otherwise operate existing municipal water supply operations in the east metropolitan area.

2.25 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.26 Sec. 76. **[115B.53] WATER QUALITY AND SUSTAINABILITY STAKEHOLDERS.**

2.27 The commissioner of the Pollution Control Agency and the commissioner of natural
2.28 resources must work with stakeholders to identify and recommend projects to receive funding
2.29 from the water quality and sustainability account under the settlement. Stakeholders include,
2.30 at a minimum, representatives of the agency, the Department of Natural Resources, east
2.31 metropolitan area municipalities, and the 3M Company. The commissioners must establish
2.32 a process to solicit and evaluate the recommendations from each of the cities of Woodbury,

- 3.1 Oakdale, Lake Elmo, Cottage Grove, St. Paul Park, Afton, Newport, and the townships of
- 3.2 West Lakeland and Grey Cloud Island."