

UNIVERSITY OF MINNESOTA

Twin Cities Campus

14 - 0092

January 16, 2014

Elizabeth Lincoln, Director
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Dear Ms. Lincoln:

Minnesota Statutes Section 137.52(b) requires the Board of Regents of the University of Minnesota ("University") to annually report to the legislature on the University's efforts and the efforts of the United States Department of Defense to remedy environmental impacts associated with the former Gopher Ordnance Works ("GOW"), a World War II smokeless gunpowder production facility located on the University land in Rosemount, Minnesota. That land is under the cooperative management of the University and the Department of Natural Resources, designated as Vermillion Highlands: A Research, Recreation and Wildlife Management Area.

Since 2006, the University has voluntarily completed several significant environmental studies of the former GOW. These studies have identified the presence of hazardous substances in site soil, the majority of which were initially disposed or otherwise came to be located at the site during the United States Army's ("Army") construction, operation, decontamination and/or demolition of GOW. Specific to Vermillion Highlands, these studies have found lead, arsenic and dinitrotoluene in soil near some of the structures associated with former gunpowder processing and storage facilities.

In June 2013, the Minnesota Pollution Control Agency ("MPCA") requested that the Army and University enter into a Cooperative Cleanup Memorandum of Agreement to address the remaining investigation and cleanup of GOW. The University advised the MPCA that it is willing to enter into an agreement provided that the Army is also a signatory, noting that it would be inappropriate for the University to assume responsibility for all future investigation and cleanup when most of the environmental impacts resulted from Army activities. The Army responded that it was unwilling to enter into an agreement.

In November 2013, the MPCA issued a Commissioner's Notice Letter to the Army and the University, indicating that the MPCA staff intends to recommend issuance of a formal Request for Response Action under the Minnesota Environmental Response and Liability Act ("MERLA"), Minn. Stat. Chapter 115B, requiring completion of future, reasonable and necessary response actions. The University responded that it would be inappropriate for the MPCA to commence formal enforcement proceedings against the University given its willingness to enter into an agreement if the Army does so as well. In its response, the Army suggested that the parties meet and discuss the site before the MPCA initiates formal enforcement proceedings.

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The MPCA is reviewing the parties' responses and will determine whether to meet with the Army and the University before considering initiation of formal enforcement action in early 2014.

Sincerely,

A handwritten signature in black ink, appearing to read "RHPfutzenreuter III". The signature is fluid and cursive, written over a white background.

Richard H. Pfutzenreuter III
Vice President and CFO

cc: Brian Steeves, Board of Regents, University of Minnesota
Pamela Wheelock, Vice President, University Services
William Donohue, General Counsel, University of Minnesota
Jason Rohloff, Special Assistant, Office of the President, University of Minnesota
Carla Carlson, Executive Director, UMore Development LLC
Cynthia Osmundson, Chair, Vermillion Highlands Joint Steering Committee