


KENOSHA COUNTY

BOARD OF SUPERVISORS

RESOLUTION NO.

Subject: Resolution Accepting Monsanto Settlement Funds, Establishing Fund for Improvement Projects and Approving Expenditures	
Original <input checked="" type="checkbox"/> Corrected <input type="checkbox"/> 2nd Correction <input type="checkbox"/> Resubmitted <input type="checkbox"/>	
Date Submitted: March 4, 2024	Date Resubmitted:
Submitted By: Jennifer J. Kopp, First Assistant Corporation Counsel	
Fiscal Note Attached <input checked="" type="checkbox"/>	Legal Note Attached <input type="checkbox"/>
Prepared By: Jennifer J. Kopp, First Assistant Corporation Counsel	Signature: 

WHEREAS, a number of communities across the country filed a class action lawsuit against Monsanto Company, Solutia Inc. and Pharmacia LLC (hereinafter referred to as "Monsanto"), in the United States District Court of the Central District of California, *City of Long Beach et. al, v. Monsanto Company*, No. 2:16-CV003493 (the "Class Action Lawsuit"); and

WHEREAS, these communities claimed the defendants produced a class of polychlorinated biphenyls (PCBs) between 1930 and 1977 that led to environmental contamination; and

WHEREAS, Monsanto and the litigation plaintiffs agreed to a settlement in the amount of \$550,000,000 representing four (4) different allocations of settlement dollars that vary based on the amount of damages sustained from Monsanto PCBs, with each fund having a specific formula for calculation of payments: (1) the Monitoring Fund, which intends to pay for PCB sampling and/or other mitigation efforts; (2) the TMDL (Total Maximum Daily Load) Fund, which intends to compensate plaintiffs for restitution and remediation efforts, including mitigation of contaminated property, stormwater and/or stormwater systems; (3) the Sediment Fund, which intends to compensate plaintiffs for specific sites that have sedimentary contamination from PCBs; and (4) Special Needs Funds, which are broken down for various litigation costs of the plaintiffs that initiated the lawsuit and other litigation costs (the "Settlement"); and

WHEREAS, a number of Wisconsin counties and municipalities were not required to opt into the Class Action Lawsuit to participate in the Settlement, rather if a county or municipality met the requirements for the "class" participants, they received notice and were added to the Class Action Lawsuit unless the county or municipality specifically objected; and

WHEREAS, Kenosha County was one of the municipalities identified in Wisconsin as a "class participant." Kenosha County received a payment from the Settlement in the amount of \$969,080 from the TMDL funds; and

WHEREAS, the waterways identified in the Class Action Lawsuit in Kenosha County are in the Lake Michigan Basin and the Mississippi River Basin, but Kenosha County is not aware of and has not been informed of any specific PCB contamination issues in these waterways; and

WHEREAS, the Settlement funds are intended to promote remediation efforts and maintain compliance with the TMDL, which is the calculation of the maximum amount of pollutants that an impaired waterbody can receive on a daily basis and still meet water quality standards, but the receiving municipalities in the Class Action Lawsuit have discretion in how to use these funds for these broadly stated purposes; and

WHEREAS, the Kenosha County Administration (the "Administration") and the Public Works Department (the "Department") believe that remediation and mitigation efforts may be necessary in the future to meet and maintain water quality standards, address contamination issues and other environmental effects from the PCBs; and

WHEREAS, the Administration and the Department propose using the funds to address, monitor and mitigate, among other things, current and future environmental hazards caused by PCBs in Kenosha County. The Administration and the Department would also like to comply with daily TMDL limits, monitor and address contamination, stabilization and erosion in waterways and lakes and obtain cleanup and remediation for contaminated sites through the County as they become known. In addition, the Administration and the Department desire to support projects that improve water quality going into Kenosha County waterways and lakes through groundwater, surface water and/or base flow. There may be other specific environmental or stormwater quality projects, including but not limited to those set forth on Exhibit A; and

WHEREAS, the Administration and the Department have identified three specific projects involving contamination issues, which it may

use the funds for in 2024, including demolition costs for Hillside Hardware, environmental studies and demolition costs for Roosevelt Auto Body and dealing with the Poerio Park Area (the "orange ooze"). The estimated costs associated with these projects are \$431,300. A breakdown of the projects and anticipated costs associated with these projects are set forth on Exhibit B. Kenosha County has already spent considerable time and resources exploring remediation and use for these projects, including discussions with the City of Kenosha on partnering to address these site problems. Remediation and use of these sites will enhance quality of life for Kenosha County citizens; and

WHEREAS, certain expenditures in remediation are required by the Wisconsin DNR (WIDNR), such as Phase I or Phase II environmental testing and efficiency is heightened when these tests are done promptly and in conjunction with partners such as the WIDNR and other municipalities; and

WHEREAS, the Administration recommends placing the Settlement Funds in a separate, interest bearing account with the interest generated being kept separate from the general fund for use on separate environmental or contamination issues.

NOW, THEREFORE, BE IT RESOLVED, that the Kenosha County Board of Supervisors hereby accepts the Settlement Funds in the amount of \$969,080 and approves placement of these funds in a separate, interest bearing account with the principal and any future interest being kept separate from the general fund; and

BE IT FURTHER RESOLVED, that the Kenosha County Board of Supervisors authorizes the Administration to use a portion of the principal up to the amount of approximately \$431,300 to fund expenditures related to Hillside Hardware, Roosevelt Auto Body and Poerio Park Area as set forth on Exhibit B and approve the budget modification as detailed in the attached budget modification form; and

BE IT FURTHER RESOLVED, that any future projects similar to what is set forth on Exhibit A, pertaining to the use of the principal or interest generated by the Settlement Funds will be addressed in future budgets or come to the Kenosha County Board by way of separate resolution; and

BE IT FURTHER RESOLVED, by the Kenosha County Board of Supervisors, that the County Executive and the Director of Public Works are authorized to execute any contracts, agreements or other documents necessary to carry out the intent of this resolution.

Dated at Kenosha County, Wisconsin, this ____ day of ____, 2024.

Submitted By:

Finance/Administration Committee

	<u>Aye</u>	<u>No</u>	<u>Abstain</u>
<u>Terry Rose</u> Terry Rose, Chairman	<u>X</u>	<u> </u>	<u> </u>
<u>Dave Geertsen</u> Dave Geertsen	<u>X</u>	<u> </u>	<u> </u>
<u>John Poole</u> John Poole	<u>X</u>	<u> </u>	<u> </u>
<u>Erin Decker</u> Erin Decker	<u>X</u>	<u> </u>	<u> </u>
<u>Tim Stocker</u> Tim Stocker	<u>X</u>	<u> </u>	<u> </u>
<u>John Franco</u> John Franco	<u>✓</u>	<u> </u>	<u> </u>
<u>Bill Grady</u> Bill Grady	<u> </u>	<u> </u>	<u> </u>

Public Works/Facilities Committee

	<u>Aye</u>	<u>No</u>	<u>Abstain</u>
<u>Mark Nordigan, Chairman</u> Mark Nordigan, Chairman	<u> </u>	<u> </u>	<u> </u>
<u>Zach Stock</u> Zach Stock	<u> </u>	<u> </u>	<u> </u>
<u>Aaron Karow</u> Aaron Karow	<u> </u>	<u> </u>	<u> </u>
<u>Laura Belsky</u> Laura Belsky	<u> </u>	<u> </u>	<u> </u>
<u>John O'Day</u> John O'Day	<u> </u>	<u> </u>	<u> </u>
<u>Brian Thomas</u> Brian Thomas	<u> </u>	<u> </u>	<u> </u>
<u>Tim Stocker</u> Tim Stocker	<u> </u>	<u> </u>	<u> </u>

**Kenosha County
Administrative Proposal Form**

1. Proposal Overview

Division: Planning & Development Department: Public Works

Proposal Summary (attach explanation and required documents):

Resolution Accepting Monsanto Settlement Funds, Establishing Fund for Improvement Projects and Approving Expenditures

Dept./Division Head Signature: SBilensky Date: 3-8-24

2. Department Head Review

Comments:

Recommendation: Approval ☒ Non-Approval ☐

Department Head Signature: SBilensky Date: 3-8-24

3. Finance Division Review

Comments:

Recommendation: Approval ☒ Non-Approval ☐

Finance Signature: Patricia Merrill Date: 3/8/24

4. County Executive Review

Comments:

Action: Approval ☒ Non-Approval ☐

Executive Signature: Seelke Date: 3/8/2024
Samantha Keckman

EXHIBIT A

Environmental Purposes

- Phase I and Phase II reports
- Site Investigation and Remediation Options Reports/Investigation
- Site Remediation including disposal or soil/insitu treatment costs
- Demolition and asbestos abatement if needed to reach contaminated sources
- Remediation efforts as needed to meet DNR/EPA regulations to get an impacted site to site closure

Stormwater Quality Purposes

- Inspecting outfalls that appear to have contamination issues, tracking any contaminated outfalls to find source and implementing any remediation efforts to reduce/eliminate the contamination source
- Implementing green infrastructure projects to reduce TMDL or TSS loads
- Create, modify, improve or upgrade any stormwater quality basins to increase their TMDL and TSS removal/reduction rates
- Infrastructure improvements needed to meet DNR/EPA regulations in regards to Stormwater quality control
- Streambank and shoreline improvement projects to aid in the protection of property
- Increasing plantings that can aid in mitigating environmental pollution caused by PCBs

Exhibit B

**Proposed Use of Monsanto Funds
2024**

Location/Description	Estimated Cost
Hillside Hardware / 4614 52nd Street	
Phase I ESA	4,255.20
Phase II ESA - range \$12,000 - \$15,000	15,000.00
Demo	110,000.00
Roosevelt Auto Body/ 2907 W 63rd Street	
Phase I ESA	5,000.00
Phase II ESA - range \$12,000 - \$15,000	15,000.00
Demo	160,000.00
"Orange Ooze"/ 17th Court to Birch Road	
Phase I ESA	22,000.00
Phase II ESA - range \$50,000 - \$100,000	100,000.00
Total	431,255.20

DOCUMENT #	GL DATE	4/2/2024
BATCH #	ENTRY DATE	

DEPT/DIVISION: Dept. Of Public Works

PURPOSE OF BUDGET MODIFICATION (REQUIRED):

[illegible]

REVENUES	FUND	DIVISION	SUB DIVISION	MAIN ACCOUNT	REVENUE DECREASE (+)	REVENUE INCREASE (-)	ADOPTED BUDGET	CURRENT BUDGET	REVISED BUDGET
REVENUE TOTALS									
					-	-			-

COLUMN TOTALS (EXP TOTAL + REV TOTAL)

(1) & (2) Account information as required
(3) & (4) Budget change requested

SEE BACK OF FORM FOR REQUIRED LEVELS OF APPROVAL FOR BUDGET MODIFICATION.

PREPARED BY: Chris Walton
DIVISION HEAD: Billing
FINANCE DIRECTOR: Billing (required) Date: 3-8-24
DEPARTMENT HEAD: Billing Date: 3-8-24

COUNTY EXECUTIVE: Carolee Date 3/8/2021

MEMORANDUM

TO: Interested Counties and Municipalities

FROM: Wisconsin Counties Association and League of Wisconsin Municipalities

RE: PCB Contamination and Monsanto Class Action Settlement: Guidance for Wisconsin's Counties and Municipalities

DATE: July 14, 2023

EXECUTIVE SUMMARY

Some of Wisconsin's counties and municipalities have already received settlement checks from the *City of Long Beach et. al v. Monsanto Company*, No. 2:16-CV-03493 (United States District Court, Central District of California – Western Division) class action suit settlement involving damages arising out of Monsanto's design and manufacture of PCBs from the 1930s to the late 1970s. The participating counties and municipalities did not need to opt into the suit to participate in the settlement; rather, if a county or municipality met the requirements for the "class" participants, they received notice and were added unless the county/municipality sent an objection. As such, some counties and municipalities may be pleasantly surprised to learn that they may receive a part of the \$550 million dollar settlement.¹ However, receiving settlement funds also brings questions of spending constraints on the settlement funds, when the funds have to be spent, potential reporting requirements and other restrictions that may accompany the settlement.

This memorandum provides an overview of the Monsanto litigation, the settlement, and the rights and responsibilities that Wisconsin's counties and municipalities have upon receiving funds from the *Monsanto* settlement.

ANALYSIS

I. Background: Litigation and Settlement

A. PCBs: A Primer

¹ See <https://pcbclassaction.com/> for a copy of the Settlement Agreement, additional pleadings, and other information in the *Monsanto* suit.

Polychlorinated biphenyls, or PCBs, are a group of man-made organic chemicals consisting of carbon, hydrogen and chlorine atoms, also known as “chlorinated hydrocarbons.”² PCBs were manufactured throughout the United States from 1929 until manufacturing was banned in 1979. PCBs have a range of toxicity and consistency, and due to their non-flammability, chemical stability, high boiling point and electrical insulating properties, PCBs were used in hundreds of industrial and commercial applications, processes and products. While no longer domestically manufactured after 1979, PCBs may still be present in products and materials produced before the 1979 ban. These products range from highly complex products such as transformers and capacitors, to everyday products such as oil, electrical devices, appliances, cables, oil-based paint, caulking, floors and many variations of plastic. In addition, PCBs easily migrate out of the source material or enclosure, or “leak” into the surrounding surfaces, air, water, soil and other materials. As such, the release of PCBs into our environment occurs so long as these products are still used, and may still seep into soil and sediment for years after the release from the original source material. PCBs may also cycle through environments from evaporation of water into the atmosphere.

Studies have linked PCB contamination to a number of health issues in humans, animals, aquatic species and aquatic wildlife. When contaminated marine wildlife is eaten by humans, the PCB contamination passes through the food chain. Increased risk of liver cancer, breast cancer, melanoma, and non-Hodgkin’s lymphoma have been linked to PCBs. Because PCBs tend to accumulate in the human body, particularly in the liver, skin, fat, breast milk, plasma and sperm fluid, PCB health-risks may pass via pregnancy from mother and father to the child. PCB exposure has been linked to lower IQ, lower birth weight, and lower behavioral assessment scores in children. In addition to these serious conditions, PCB exposure has been linked to lowered immune responses, deficits in neurological development, visual recognition, short-term memory loss, and affect thyroid hormone levels in both humans and animals.

The *Monsanto* case Plaintiffs raised all of these health issues and harms to establish why Monsanto was liable under several causes of action through its ongoing design and manufacturing of PCBs.

B. Monsanto Litigation

Prior to being certified as a class action, the original Plaintiffs consisted of counties and municipalities that operated, owned, and/or managed stormwater and/or dry weather runoff systems, including municipal separate stormwater systems and/or combined sewer overflows that are contaminated with PCBs, discharged PCB-contaminated water into a body of water that is deemed “impaired” pursuant to the Clean Water Act, and have (or will) incur costs to test, monitor, investigate, sample, manage, remediate and/or remove the levels of PCBs in those discharges as set forth in required permits by the National Pollutant Discharge Elimination System (“NPDES”), pursuant to the Clean Water Act³.

Monsanto was the sole designer and manufacturer of PCBs from the 1930s – 1977, and therefore, Plaintiffs argued, Monsanto should be liable for the ongoing harm to both people and property due

² See <https://www.epa.gov/pcbs/learn-about-polychlorinated-biphenyls#what>

³ The Wisconsin Department of Natural Resources (“DNR”) acts as the United States Environmental Protection Agency’s (EPA) agent in the permit process.

to the long-term impacts of PCBs. Plaintiffs also argued that Monsanto knew of PCBs' danger as far back as 1937, but continually failed to do anything to stop the widespread contamination and danger to people, resources and the environment.⁴ By failing to remove or reduce the harmful components, or warn the public of the dangers in using PCB-laden products or the proper disposal of such products, Plaintiffs alleged that Monsanto was liable for damages under the legal theories of public nuisance, trespass, negligence and strict liability due to design defect and withholding information from government regulatory authorities and the public regarding the health risks posed by PCBs.

After the filing of the original action, the matter was certified as an "opt-out" class action with notices mailed to potential class members in March 2022. As an "opt-out" class, any eligible member that received a notice would automatically be included in the class unless that entity specifically objected to inclusion and withdrew from the class by July 25, 2022. The only way a county or municipality could preserve any future claims against Monsanto was to withdraw from the class. As detailed below, many Wisconsin counties and municipalities were deemed eligible class members, and only a few objected to inclusion and withdrew as a class member.

Prior to trial, the parties agreed to settle the claims. While not admitting any wrongdoing, Monsanto has agreed to pay up to \$550,000,000 as the total and maximum dollar amount they will be obligated to pay to four different "Settlement Funds." A list of Wisconsin counties and municipalities receiving Settlement Funds is set forth in Exhibit A.

The Settlement Funds represent four (4) different allocations of settlement dollars that vary based on the amount of damage sustained from Monsanto PCBs, with each fund having a specific formula for calculation of payments: (1) the Monitoring Fund, which intends to pay for PCB sampling and/or other mitigation efforts; (2) the TMDL (Total Maximum Daily Load) Fund, which intends to compensate Plaintiffs for restitution and remediation efforts, including mitigation of contaminated property, stormwater and/or stormwater systems; (3) the Sediment Site Fund, which intends to compensate Plaintiffs for specific sites that have sedimentary contamination from PCBs; and (4) Special Needs Funds, which are broken down into Part A to pay for various litigation costs of the Plaintiffs that initiated the lawsuit and other litigation costs, and Part B, which is a general fund that the court-appointed parties overseeing the settlement distribution may "equitably allocate" as needed. These funds are described below while focusing on the funds that impact Wisconsin's counties and municipalities.

1. Monitoring Fund:

The Monitoring Fund totals \$42,894,993.43 and provides a minimum payment to all class members, thereby securing a release of future claims through payment of some compensation.⁵ The other funds set forth thresholds for payment, and any class member that does not meet

⁴ The Third Amended Complaint details Monsanto documents illustrating the company knew of the dangers of PCBs, and attempted to restrict that information from the public. <https://angeion-public.s3.amazonaws.com/www.pcbclassaction.com/docs/201-Plaintiffs'+Third+Amended+Complaint+for+Class+Actions.pdf>

⁵ Only by ensuring payment to all class members could Monsanto secure waivers of all future claims from Plaintiffs and class members.

another fund's threshold is paid out of the Monitoring Fund. The purpose of the Monitoring Fund is to pay for PCB sampling or any other mitigation efforts. The class member has sole discretion how to use the funds, so long as the activities comply with applicable law.

Payments from the Monitoring Fund utilize the number of Phase I and Phase II permits in place prior to June 24, 2020, and the population of the governmental unit, to determine the amount paid. "Phase I" and "Phase II" permits refer to the National Pollutant Discharge Elimination System (NPDES) Stormwater program's 1990 Phase I and Phase II regulation of cities, towns, boroughs, villages, townships, counties, and independent port districts. Phase I permits address stormwater runoff from medium and large municipal separate storm sewer systems (MS4) generally serving populations of 100,000 or bigger, construction activity disturbing five acres of land or greater, and ten categories of industrial activity. Phase II permits address designated small construction activities that require a general permit. Phase II permits also require MS4 operators to identify and implement stormwater discharge management controls.

Seventeen Wisconsin counties and 103 municipalities are eligible for payments from the Monitoring Fund.⁶ The payments are broken down into four levels:

- \$32,024.47 payment for Phase I permittees with a population equal to or greater than 100,000 and Phase I independent port districts. There are no Wisconsin counties and two municipalities⁷ in this classification.
- \$22,024.47 for Phase I permittees with a population less than 100,000. There are no Wisconsin counties and seven municipalities⁸ in this classification.
- \$27,024.47 for Phase II permittees with a population equal to or greater than 100,000, and Phase II independent port districts. There are 11 Wisconsin counties⁹ and one municipality¹⁰ in this classification.
- \$17,024.47 for Phase II permittees with a population less than 100,000. There are six Wisconsin counties¹¹ and 93 municipalities¹² in this classification.

2. TMDL Fund:

a. What is a TMDL?

A "TMDL" (Total Maximum Daily Load) is a calculation of the maximum amount of pollutant that an impaired waterbody can receive on a daily basis and still meet water quality standards.

⁶ Kenosha County, Milwaukee County, Racine County and Sheboygan County are paid from the TMDL Fund, and therefore not eligible for payment from the Monitoring Fund. North Bay is the only municipality eligible for payment from both the Monitoring Fund and the TMDL Fund.

⁷ Milwaukee and Madison.

⁸ Brookfield, Fitchburg, Greenfield, Middleton, Monona, Pewaukee, and Stoughton.

⁹ Brown County, Dane County, Eau Claire County, Fond du Lac County, La Crosse County, Marathon County, Outagamie County, Rock County, Washington County, Waukesha County, and Winnebago County.

¹⁰ Green Bay.

¹¹ Calumet County, Chippewa County, Douglas County, Jefferson County, Ozaukee County, St. Croix County.

¹² See attached Exhibit A.

The Clean Water Act requires all states¹³ to identify “impaired” waterbodies, meaning that the waterbody is not able to meet the state’s water quality standards through technology-based regulations and other required controls. Once an impaired waterbody is identified, a TMDL must be developed for each impaired waterbody.

In Wisconsin, the DNR uses water quality standards and water quality monitoring, along with the measured flow in a watershed, to calculate the current pollutant loads to a waterbody that does not meet water quality criteria.¹⁴ The DNR uses computer modeling to calculate pollutant loads using inputs such as weather, topography, soil types, and land use. With these and other data inputs, the model simulates physical processes associated with the flow of water, sediment movement, nutrient cycling, and crop growth. Models can also be used to predict impacts of changes in land use, climate, and management practices on water quality. Once targets are set for the waterbody, the TMDL is established by allocating the allowable load between the point sources and the nonpoint sources, then adding a margin of safety. According to the DNR, the analysis can be expressed as a formula:

$$\text{TMDL} = \text{WASTELOAD ALLOCATION (WLA)} + \text{LOAD ALLOCATION (LA)} + \text{MARGIN OF SAFETY (MOS)}$$

The wasteload allocation (WLA) is the total allowable pollutant load from all point sources such as municipal, industrial, CAFOs, and stormwater. The load allocation (LA) is the allowable pollutant load from nonpoint sources, such as agricultural, CAFO off-site land spreading, and residential runoff. The margin of safety (MOS) accounts for uncertainty in the analysis.

Compliance with TMDL requirements occurs through the WPDES permit process for discharge from point sources. Nonpoint source regulation is a more complex process. DNR’s current goal of nonpoint source-related TMDL implementation “is to maximize opportunities for restoration of impaired waters by prioritizing and targeting available programmatic, regulatory (such as the NR 151 agricultural performance standards and manure management prohibitions), financial, and technical resources.”¹⁵

b. The TMDL Fund Compensation

The TMDL Fund totals \$250,000,000 and provides payment class members that had a TMDL, TMDL Alternative, or TMDL Direct-to-Implementation regulation promulgated or updated after January 1, 2010, but before June 24, 2020, wherein a PCB is a named constituent.

TMDL funds are intended to compensate recipients for restitution and remediation including mitigation of contaminated property, stormwater, and/or stormwater systems, including compliance with a TMDL. The allocation is determined by a specific algorithm developed to measure the impact of damage.¹⁶ In addition, any TMDL Fund recipient that is a county and has

¹³ 33 U.S.C. § 1251(a) collectively defines states, territories and authorized tribes as “states.”

¹⁴ See TMDL Overview at <https://dnr.wisconsin.gov/topic/TMDLs/Overview.html>

¹⁵ <https://dnr.wisconsin.gov/topic/TMDLs/npstmdls.html>

¹⁶ Paragraph 78(b) of the Settlement Agreement sets forth the algorithm: multiply (1) the total jurisdictional area within any HUC 12 Watershed that contains and/or is immediately adjoining a 303(d) water body with a PCB TMDL, by (2) the USGS Geodatabase Imperviousness of such jurisdictional area (known as “Weighted Imperviousness”). Then, proportionally normalize all Weighted Imperviousness values to calculate a weighted, relative percentage for

a population of more than 2 million or a municipality with a population greater than 1 million also receives a "Population Factor Award" of \$2,000,000.

Four (4) Wisconsin counties and 14 municipalities are eligible for payments from the TMDL Fund: Kenosha County, Milwaukee County, Racine County, Sheboygan County, Brown Deer, Caledonia, Cudahy, Fox Point, Glendale, Grafton, Howard, Mequon, Mount Pleasant, North Bay, Pleasant Prairie, Shorewood, Suamico, and Whitefish Bay. No Wisconsin counties or municipalities received the \$2,000,000 Population Factor Award given that none have the requisite population.

The TMDL Fund does not have any specific oversight provisions or restrictions on the use of the funds beyond the note that the funds are intended to "compensate Settlement Class Members for restitution and remediation including mitigation of contaminated property, stormwater, and/or stormwater systems, including compliance with a TMDL."

3. Sediment Sites Fund:

The Sediment Sites Fund is allocated \$150,000,000 and pays settlement class members that are impacted by PCB-contaminated sediments due to stormwater contribution and runoff. It is intended to compensate counties and municipalities for restitution and remediation, including mitigation of contaminated property, stormwater and/or stormwater systems, including compliance with regulatory processes. All eligible class members must apply to a court-appointed "Special Master" for payments. The Special Master must "equitably allocate" funds based on the totality and relativity of the specific PCB-caused factors, including past costs for remediation and other mitigation, evidence of future costs to be incurred, and other important factors deemed relevant by the Special Master.¹⁷

There are no Wisconsin counties or municipalities eligible to receive payment from the Sediment Sites Fund.

4. Special Needs Fund:

The Special Needs Fund totals \$107,105,006.57 and is separated into two parts: Special Needs Fund Part A and Part B.¹⁸ Special Needs Fund Part A totals \$57,105,000 and is designated to

each TMDL Fund Entity. Lastly, multiply (1) the weighted, relative percentage for each TMDL Fund Entity, by (2) the total fund less Population Factor Awards. A 0.7 multiplier is applied to any TMDL Fund Entity with a population of less than one hundred thousand (100,000). Otherwise:

$$\left(\frac{\text{Class member's impervious TMDL land area}}{\text{Total impervious TMDL land areas of all TMDL fund class members}} \right) \times (\text{Total TMDL fund} - \text{Population Factor Awards})$$

¹⁷ See Settlement Agreement at ¶30.

<https://angeion-public.s3.amazonaws.com/www.pcbclassaction.com/docs/2021-0617+%5B278-2%5D+Class+Action+Settlement+Agreement.pdf>

¹⁸ See Settlement Agreement at ¶80.

compensate the original *Monsanto* case Plaintiffs' damages, costs and fees. Allocation is completed by a Special Master appointed by the court and according to the terms of the Settlement Agreement.

Special Needs Fund Part B totals \$50,000,006.57 and may be available to Wisconsin counties and municipalities because it is available to all settlement class members who apply and meet the required criteria. Applicants must show the Special Master that "a significant regional, state, or national benefit, cost, or contribution regarding 303(d) bodies of water impaired by PCBs through stormwater and/or dry weather runoff, and such benefit, cost, or contribution is not otherwise encompassed within any other part of this allocation."¹⁹ As such, a county or municipality may request funding for special circumstances that have not otherwise been contemplated or addressed in the Settlement Agreement or with Settlement Funds. A requestor must comply with the application requirements, which may be found after registering at <https://pcbclassaction.com/special-needs-funds-part-b.php> and must submit the application by April 28, 2024.

After receiving and reviewing all the applications, the Special Master is required to "equitably allocate" the available funds in the Special Master's sole discretion, and render determinations based solely on the application and accompanying materials provided by the applicant. Appeals may be made from the Special Master's determinations.

II. Options for Settlement Funds

According to a release from the Special Master, Settlement Claim Members started receiving checks from the Monitoring Fund and TMDL Fund in April 2023. It is unknown whether all checks have been sent. The Special Needs Fund Part B proceeds will not be paid until the application deadline passes, the Special Master renders determination on the distribution, and the appeal time passes. Again, the deadline for Special Needs Fund Part B applications is April 28, 2024.

Once counties and municipalities receive the *Monsanto* case settlement funds, then what? As stated above, the Monitoring Fund and TMDL Fund do not set forth any oversight mechanisms, approval of spending processes, or reporting requirements once the funds are spent. The Settlement Agreement does not include language giving a state oversight authority over the use of funds.

So, what may the funds be used for? The Settlement Agreement specifically states that the Monitoring Fund may be used to pay for "PCB sampling and/or any other mitigation efforts in the Settlement Class Member's sole discretion, as part of compliance with applicable law."²⁰ This is a broad grant of power for counties and municipalities to use the Monitoring Funds they receive so long as that use is consistent with a mitigation effort under Wisconsin or other applicable law.

¹⁹ See *id.* at ¶80(h).

²⁰ Settlement Agreement at ¶77.

Unlike the Monitoring Fund recipients, TMDL Fund recipients do not have "sole discretion" to use the funds for any sampling or mitigation efforts. However, no specific guidance is provided and TMDL Fund recipients appear to have broad discretion when using the funds. The Settlement Agreement states the TMDL Fund is "intended to compensate Settlement Class Members for restitution and remediation including mitigation of contaminated property, stormwater and/or stormwater systems, including compliance with TMDL." Based on this limited language, a county or municipality should look to any TMDL requirements, permit or orders it may be subject to from DNR or EPA. The work a county or municipality is obligated to do under such permits or orders would likely meet the threshold of "restitution and remediation" of contaminated property to comply with TMDL.

At this time, there is no further guidance or known restrictions on the use of the Monitoring Funds and the TMDL Funds. Once the Special Needs Fund Part B is released, recipients of those funds will have to comply with the award requirements and the conditions proposed in the award application.

While DNR has not promulgated any information or guidelines for use of the Settlement Funds, DNR does oversee a clean-up and restoration project of the Lower Fox River which runs through Brown County, Calumet County, Outagamie County and Winnebago County, which are all settlement fund recipients.²¹ There is extensive PCB contamination in this area, and the contamination has spread downstream to other areas, Lake Michigan, and then into all the Great Lakes freshwater system, thereby making PCB remediation a large focus of this project. It is unknown whether DNR will require use of TMDL Funds if a county, or a settlement fund municipality located in one of those counties, is subject to the Lower Fox River Cleanup Project mandates.

The Special Master has not provided any reporting requirements or other compliance obligations at this time. Once the Special Needs Fund Part B is released, recipients of those funds will have to comply with the award requirements and the conditions proposed in the award application.

Counties and municipalities are encouraged to contact their corporation counsel/municipal attorneys to discuss specific questions regarding the use of Settlement Funds.

CONCLUSION

Wisconsin counties and municipalities have faced increased costs due to environmental contamination for many years. The *Monsanto* case intends to compensate for some of those costs, and for future costs, of remediating the long-term impacts of PCBs. However, Wisconsin counties and municipalities should be mindful of how they spend any Monsanto Settlement Funds and ensure that the funds' use complies with the Settlement Agreement, all applicable Wisconsin laws, and any specific WPDES permits or other orders they may be subject to.

²¹ <https://dnr.wisconsin.gov/topic/FoxRiver/Background.html>

If you have any questions surrounding this memorandum, please do not hesitate to contact the Wisconsin Counties Association or League of Wisconsin Municipalities. Our respective organizations appreciate the opportunity to be of service to our members.

EXHIBIT A

Wisconsin Counties and Municipalities Receiving Compensation

TMDL Fund Entities:

Class Member	State	Population	TMDL Fund Allocation
Brown Deer WI	WI	12,051	\$ 280,853
Caledonia WI	WI	24,841	\$ 518,588
Cudahy WI	WI	18,980	\$ 426,157
Fox Point WI	WI	6,705	\$ 129,170
Glendale WI	WI	13,078	\$ 362,552
Grafton WI	WI	11,583	\$ 323,548
Howard WI	WI	19,318	\$ 622,483
Kenosha County WI	WI	167,954	\$ 791,879
Mequon WI	WI	23,476	\$ 713,530
Milwaukee County WI	WI	948,301	\$ 4,034,109
Mount Pleasant WI	WI	26,699	\$ 266,217
North Bay WI	WI	237	\$ 5,404
Pleasant Prairie WI	WI	20,759	\$ 273,529
Racine County WI	WI	194,913	\$ 1,637,385
Sheboygan County WI	WI	115,099	\$ 761,910
Shorewood WI	WI	13,423	\$ 133,471
Suamico WI	WI	12,535	\$ 271,677
Whitefish Bay WI	WI	14,061	\$ 154,407

Monitoring Fund Allocations:

Class Member	State	Population	MS4 NPDES Phase I or II	REVISED Monitoring Fund Allocation
Algoma WI	WI	3,075	2	\$ 17,024.47
Allouez WI	WI	13,841	2	\$ 17,024.47
Appleton WI	WI	74,433	2	\$ 17,024.47
Ashwaubenton WI	WI	17,184	2	\$ 17,024.47
Bayside WI	WI	4,410	2	\$ 17,024.47
Bellevue WI	WI	15,570	2	\$ 17,024.47
Beloit WI	WI	36,691	2	\$ 17,024.47
Big Bend WI	WI	1,315	2	\$ 17,024.47
Brookfield WI	WI	39,200	1	\$ 22,024.47
Brown County WI	WI	259,546	2	\$ 27,024.47

Class Member	State	Population	MS4 NPDES Phase I or II	REVISED Monitoring Fund Allocation
Brown Deer WI	WI	12,051	2	\$ -
Burlington WI	WI	10,658	2	\$ 17,024.47
Butler WI	WI	1,821	2	\$ 17,024.47
Caledonia WI	WI	24,841	2	\$ -
Calumet County WI	WI	49,600	2	\$ 17,024.47
Cedarburg WI	WI	11,503	2	\$ 17,024.47
Chippewa County WI	WI	63,526	2	\$ 17,024.47
Chippewa Falls WI	WI	14,003	2	\$ 17,024.47
Combined Locks WI	WI	3,577	2	\$ 17,024.47
Cudahy WI	WI	18,980	2	\$ -
Dane County WI	WI	530,885	2	\$ 27,024.47
De Pere WI	WI	24,850	2	\$ 17,024.47
Delafield WI	WI	7,502	2	\$ 17,024.47
Douglas County WI	WI	43,351	2	\$ 17,024.47
Eau Claire County WI	WI	102,941	2	\$ 27,024.47
Eau Claire WI	WI	68,276	2	\$ 17,024.47
Eden WI	WI	874	2	\$ 17,024.47
Elmwood Park WI	WI	506	2	\$ 17,024.47
Fitchburg WI	WI	28,814	1	\$ 22,024.47
Fond du Lac County WI	WI	102,201	2	\$ 27,024.47
Fond du Lac WI	WI	42,853	2	\$ 17,024.47
Fox Point WI	WI	6,705	2	\$ -
Franklin WI	WI	36,262	2	\$ 17,024.47
Glendale WI	WI	13,078	2	\$ -
Grafton WI	WI	11,583	2	\$ -
Green Bay WI	WI	104,719	2	\$ 27,024.47
Greendale WI	WI	14,256	2	\$ 17,024.47
Greenfield WI	WI	36,943	1	\$ 22,024.47
Hobart WI	WI	8,555	2	\$ 17,024.47
Holmen WI	WI	9,843	2	\$ 17,024.47
Howard WI	WI	19,318	2	\$ -
Howards Grove WI	WI	3,245	2	\$ 17,024.47
Hudson WI	WI	13,605	2	\$ 17,024.47
Janesville WI	WI	64,029	2	\$ 17,024.47
Jefferson County WI	WI	84,485	2	\$ 17,024.47
Kaukauna WI	WI	15,941	2	\$ 17,024.47
Kenosha County WI	WI	167,954	2	\$ -
Kenosha WI	WI	99,485	2	\$ 17,024.47
Kewaskum WI	WI	4,153	2	\$ 17,024.47
Kimberly WI	WI	6,735	2	\$ 17,024.47
Kohler WI	WI	2,087	2	\$ 17,024.47
Kronenwetter WI	WI	7,587	2	\$ 17,024.47
La Crosse County WI	WI	117,733	2	\$ 27,024.47
La Crosse WI	WI	51,851	2	\$ 17,024.47
Lake Hallie WI	WI	6,625	2	\$ 17,024.47
Lannon WI	WI	1,167	2	\$ 17,024.47
Little Chute WI	WI	11,289	2	\$ 17,024.47
Madison WI	WI	252,485	1	\$ 32,024.47
Manitowoc WI	WI	32,845	2	\$ 17,024.47
Maple Bluff WI	WI	1,344	2	\$ 17,024.47
Marathon County WI	WI	135,057	2	\$ 27,024.47
Marinette WI	WI	10,615	2	\$ 17,024.47
McFarland WI	WI	8,427	2	\$ 17,024.47
Menasha WI	WI	17,698	2	\$ 17,024.47

Class Member	State	Population	MS4 NPDES Phase I or II	REVISED Monitoring Fund Allocation
Menomonee Falls WI	WI	36,755	2	\$ 17,024.47
Mequon WI	WI	23,476	2	\$
Merrill WI	WI	9,157	2	\$ 17,024.47
Merton WI	WI	3,599	2	\$ 17,024.47
Middleton WI	WI	19,062	1	\$ 22,024.47
Milton WI	WI	5,556	2	\$ 17,024.47
Milwaukee County WI	WI	948,301	1	\$
Milwaukee WI	WI	597,123	1	\$ 32,024.47
Monona WI	WI	8,170	1	\$ 22,024.47
Mosinee WI	WI	3,992	2	\$ 17,024.47
Mount Pleasant WI	WI	26,699	2	\$
Mukwonago WI	WI	7,823	2	\$ 17,024.47
Muskego WI	WI	24,867	2	\$ 17,024.47
Neenah WI	WI	25,845	2	\$ 17,024.47
New Berlin WI	WI	39,770	2	\$ 17,024.47
North Bay WI	WI	237	2	\$ 17,024.47
North Fond du Lac WI	WI	5,088	2	\$ 17,024.47
Oak Creek WI	WI	36,037	2	\$ 17,024.47
Oconomowoc Lake WI	WI	590	2	\$ 17,024.47
Oconomowoc WI	WI	16,558	2	\$ 17,024.47
Oliver WI	WI	407	2	\$ 17,024.47
Omro WI	WI	3,566	2	\$ 17,024.47
Onalaska WI	WI	18,627	2	\$ 17,024.47
Oshkosh WI	WI	66,517	2	\$ 17,024.47
Outagamie County WI	WI	184,755	2	\$ 27,024.47
Ozaukee County WI	WI	88,327	2	\$ 17,024.47
Paddock Lake WI	WI	2,984	2	\$ 17,024.47
Pewaukee WI	WI	14,332	1	\$ 22,024.47
Pewaukee WI	WI	8,184	2	\$ 17,024.47
Pleasant Prairie WI	WI	20,759	2	\$
Plover WI	WI	12,651	2	\$ 17,024.47
Port Washington WI	WI	11,656	2	\$ 17,024.47
Portage WI	WI	10,349	2	\$ 17,024.47
Racine County WI	WI	194,913	2	\$
Racine WI	WI	77,455	2	\$ 17,024.47
Richfield WI	WI	11,618	2	\$ 17,024.47
River Falls WI	WI	15,336	2	\$ 17,024.47
River Hills WI	WI	1,599	2	\$ 17,024.47
Rock County WI	WI	161,394	2	\$ 27,024.47
Rothschild WI	WI	5,310	2	\$ 17,024.47
Saukville WI	WI	4,465	2	\$ 17,024.47
Schofield WI	WI	2,184	2	\$ 17,024.47
Sheboygan County WI	WI	115,099	2	\$
Sheboygan Falls WI	WI	7,853	2	\$ 17,024.47
Sheboygan WI	WI	48,576	2	\$ 17,024.47
Sherwood WI	WI	2,873	2	\$ 17,024.47
Shorewood Hills WI	WI	2,039	2	\$ 17,024.47
Shorewood WI	WI	13,423	2	\$
South Milwaukee WI	WI	21,124	2	\$ 17,024.47
St. Croix County WI	WI	87,603	2	\$ 17,024.47
St. Francis WI	WI	9,471	2	\$ 17,024.47
Stevens Point WI	WI	26,363	2	\$ 17,024.47
Stoughton WI	WI	13,126	1	\$ 22,024.47
Suamico WI	WI	12,535	2	\$

Class Member	State	Population	MS4 NPDES Phase I or II	REVISED Monitoring Fund Allocation
Superior WI	WI	26,334	2	\$ 17,024.47
Superior WI	WI	660	2	\$ 17,024.47
Sussex WI	WI	10,773	2	\$ 17,024.47
Thiensville WI	WI	3,182	2	\$ 17,024.47
Twin Lakes WI	WI	6,062	2	\$ 17,024.47
Two Rivers WI	WI	11,211	2	\$ 17,024.47
Washington County WI	WI	134,386	2	\$ 27,024.47
Waukesha WI	WI	68,376	2	\$ 17,024.47
Waukesha County WI	WI	398,561	2	\$ 27,024.47
Waunakee WI	WI	13,581	2	\$ 17,024.47
Wausau WI	WI	38,430	2	\$ 17,024.47
West Bend WI	WI	31,654	2	\$ 17,024.47
West Milwaukee WI	WI	4,181	2	\$ 17,024.47
West Salem WI	WI	4,983	2	\$ 17,024.47
Weston WI	WI	15,099	2	\$ 17,024.47
Whitefish Bay WI	WI	14,061	2	\$
Wind Point WI	WI	1,703	2	\$ 17,024.47
Winnebago County WI	WI	169,637	2	\$ 27,024.47
Wisconsin Rapids WI	WI	17,898	2	\$ 17,024.47