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University of Minnesota

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Office of the Senior Vice President for Finance and Operations

301 Morrill Hall 100 Church Street S.E. Minneapolis, MN 55455

January 24, 2020

Elizabeth Lincoln, Director Minnesota Legislative Reference Library 645 State Office Bldg. 100 Rev. Dr. Martin Luther King Jr. Blvd. St. Paul, MN 55155

Dear Ms. Lincoln:

On behalf of the Board of Regents of the University of Minnesota, I submit the following annual report to the Legislature under Minnesota Statutes Section 137.52(b) regarding 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 powder production facility located on University land in Rosemount, Minnesota. That land includes Vermillion Highlands: A Research, Recreation and Wildlife Management Area, which is managed under a cooperative agreement between the University and the Department of Natural Resources. Per the requirements set forth in Minnesota Statutes Section 3.197, the cost to prepare this report was \$477.00.

In early 2019, the Army Corps of Engineers declined the request by the Minnesota Pollution Control Agency (MPCA) that the University and the Army Corps of Engineers complete a Risk Assessment / Feasibility Study at the property. The objectives of that study are to assess the risks associated with the releases of hazardous substances at the property and identify response action alternatives to address them. The response action alternatives will be developed consistent with the current and planned uses of the property. Representatives of the University and the MPCA met in December 2019 and discussed the timing and responsibility for completing the study.

The University's litigation in federal district court against the Army Corps and its contractor for GOW, E.I. du Pont de Nemours and Company (DuPont), is ongoing. In that litigation, the University seeks recovery of \$3.3 million in past investigation costs and a declaration that the Army Corps and DuPont must pay their fair shares of future cleanup expenses. In October 2019, the University and the Army Corps filed cross-motions for partial summary judgment, which the Court has now taken under advisement. Discovery is continuing in the case, with trial scheduled for March 2021.

Sincerely

Brian Burnett

Senior Vice President Finance and Operations Elizabeth Lincoln Page 2 January 24, 2020

cc: Brian Steeves, Executive Director and Corporate Secretary, Board of Regents Michael Berthelsen, Vice President, University Services Matt Kramer, Vice President, University Relations
Leslie Krueger, Assistant Vice President for Planning, Space, and Real Estate Douglas Peterson, General Counsel
Cynthia Osmundson, Chair, Vermillion Highlands Joint Steering Committee