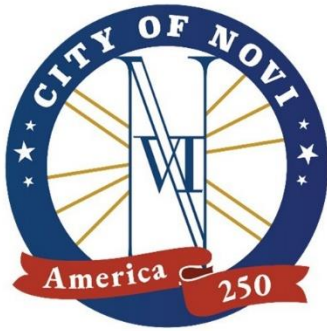




CITY OF NOVI CITY COUNCIL JUNE 8, 2026

SUBJECT: Consideration of the GLWA (Great Lakes Water Authority) Member Partner Contract for Legal Services for the 3M and Dupont Public Drinking Water Settlements and the Corresponding Resolution of GLWA Member Partner the City of Novi Authorizing the Execution of the Legal Services Agreement for the 3M and Dupont Public Drinking Water Settlements.

SUBMITTING DEPARTMENT: City Manager's

KEY HIGHLIGHTS:

- Because GLWA did not submit a timely Tier 1 claim in the national PFAS settlement, the City of Novi may have an opportunity as a Tier 2 customer to recover a portion of settlement funds that GLWA otherwise could have received.
- Participation requires PFAS testing of GLWA's source water and submission of a claim by July 31, 2026, with legal services provided on a contingency basis, meaning no cost to the City if no recovery is obtained.
- Any settlement proceeds received by the City of Novi would be unrestricted for public use, but accepting a settlement would permanently resolve all current and future PFAS/PFOA claims against DuPont and 3M.

BACKGROUND INFORMATION:

DuPont and 3M have agreed to settle a class action lawsuit for claims against them relating to PFAS/PFOA that have entered public water systems and have required treatment for removal. 3M and DuPont have provided a settlement fund to pay municipal water systems for any and all PFAS claims that they may have against 3M or DuPont. The City purchases all of its public drinking water from GLWA, which, for purposes of this litigation, is considered a "Tier 1" class member (supplier).

GLWA's wholesale customers—like Novi—are designated as "Tier 2" class members in the settlement documents for this litigation. Typically, the settlement funds in this case would go to the entity that actually treated the water to remove the PFAS—in this case, GLWA as the Tier 1 class member/supplier. **However**, GLWA did not file a timely claim

for recovery as a Tier 1 member. As a result, its wholesale customers may have a right to claim any of the settlement funds GLWA may otherwise have been entitled to. GLWA and its counsel, the national firm Stag Luizza, are asserting that they believe such claims by Tier 2 customers will in fact be successful.

GLWA, through Stag Luizza, is making an effort to help its customer communities like Novi to claim the funds that GLWA would otherwise have been entitled to. It is doing this by working with Stag Luizza, as national counsel for the lawsuit, and local counsel for the communities who choose to take advantage of the opportunity to make a claim to do all the things necessary to make that claim. What that primarily entails is testing GLWA's "source water" for the level of PFAS/PFOA at GLWA's source. This test is required to make a claim. Stag Luizza has a testing company available and ready to do that work. Once that testing is done, filing a claim primarily entails filling out claim-related paperwork and submitting it to the court (as discussed in more detail below).

While it's not yet clear what the City's entitlement might be to recovery as a Tier 2 member or exactly how substantial a settlement amount might be, GLWA and Stag Luizza have indicated that, if received, those funds would be unrestricted and could be used for any public purpose. There is no requirement that funds secured be used in the water fund or be used to conduct further testing or water source improvements. But as the term "settlement" implies, 3M and DuPont would have no further liability to GLWA or Novi.

As often happens in these cases, there is typically also local counsel to work with the national firm in the affected area. Under the proposed documents, Rosati Schultz would be authorized and allowed to act as local counsel for purposes of the claim. The claim would be made on a contingency basis, which means that if no funds are paid to the City, the City will not have to pay any attorneys' fees for the work on the claim (i.e., Stag Luizza would get no fees). If there is a recovery by the City, however, Stag Luizza's attorney's fees would be the typical "one third/33%" of the recovery—except that the settlement documents contemplate that 8% of that amount be deducted from that fee for court settlement administration purposes (leaving a contingent attorney fee of 25% total).

The size of any community's settlement is based on the City actual flow rates for the years 2013 through 2025 combined with the amount of PFAS/PFOA that is found at GLWA's treatment plant intake. In order to obtain a settlement, the source water has to have some PFAS/PFOA contamination. GLWA has agreed to allow its wholesale customers to use testing from its source to participate in the settlement. Again, the settlement would resolve all PFAS/PFOA claims against 3M and DuPont for any PFAS/PFOA contamination now and in the future.

We have confirmed that Novi is included in DuPont and 3M's list of class members. If Novi does not make a claim now, it will lose any opportunity to make a claim against either DuPont or 3M. In order to participate, testing and submittal of a claim will need to be completed by July 1, 2026 and July 31, 2026, respectively. Rosati Schultz would work with City Staff to gather the information needed to submit the claim, and will review any documents needed to finalize the application and claim process,

RECOMMENDED ACTION: Approval of the GLWA (Great Lakes Water Authority) Member Partner Contract for Legal Services for the 3M and Dupont Public Drinking Water Settlements and the Corresponding Resolution of GLWA Member Partner the City of Novi Authorizing the Execution of the Legal Services Agreement for the 3M and Dupont Public Drinking Water Settlements.