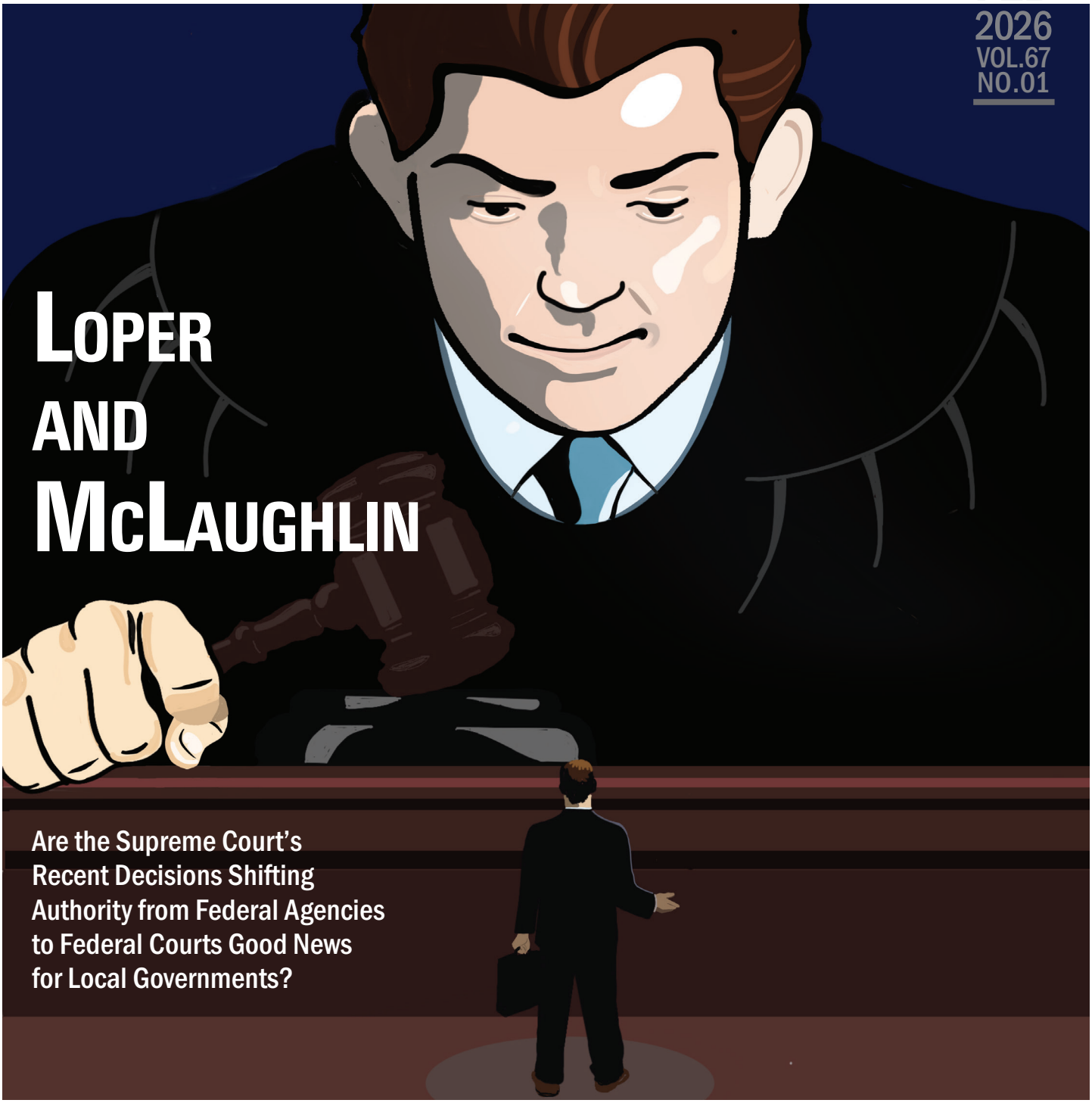
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LOPER AND MCLAUGHLIN

Are the Supreme Court's Recent Decisions Shifting Authority from Federal Agencies to Federal Courts Good News for Local Governments?



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IMLA has secured a block of rooms and a special room rate at the Omni Shoreham Hotel, a first class facility, in Washington, D.C.

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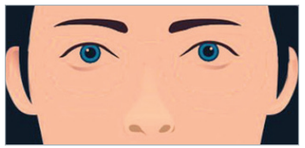
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PRACTICE TIPS

3 Things Municipal Attorneys Should Do Now

Billions on the Line from PFAS Drinking Water Settlements

Contributed by
SL Environmental Law Group



City of Sacramento, CA

In the summer of 2025, municipal water systems across the country began receiving their first payments from the PFAS (per- and polyfluoroalkyl substances) drinking water settlements with 3M and DuPont, which offer a combined total of up to more than $14 billion to public water providers that have detected PFAS, also known as "forever chemicals," in their drinking water sources.[1]

This not only marks a significant step towards financial relief for local governments facing PFAS contamination costs but may also help close other funding gaps, as settlement funds are not restricted.

Now that disbursements to the first phase of beneficiaries have begun, it's clear that many municipalities will be recovering significant funds from these settlements. Some cities expect their payments to be in the tens of millions of dollars—real money they no longer need to draw from limited municipal resources or rate hikes. However, recoveries of this scale do not happen by accident. Although all eligible public water systems were automatically included in these settlements unless they formally opted out by the 2023 deadlines, claims must be submitted correctly by the 2026 due dates to receive funds. Claims can require additional water quality testing of every source and extensive documentation. Municipalities can also seek to supplement their total recoveries by submitting additional claims to reimburse PFAS testing costs and other expenses already incurred for PFAS treatment or management.

But be aware: Municipalities that did not opt out of the settlements but missed testing and filing deadlines will be ineligible to recover any funds at all through the settlements, and they will have forfeited their right to file future lawsuits against 3M and DuPont over PFAS drinking water contamination. Therefore, it is crucial to stay ahead of settlement requirements to avoid missing out on potential funding.

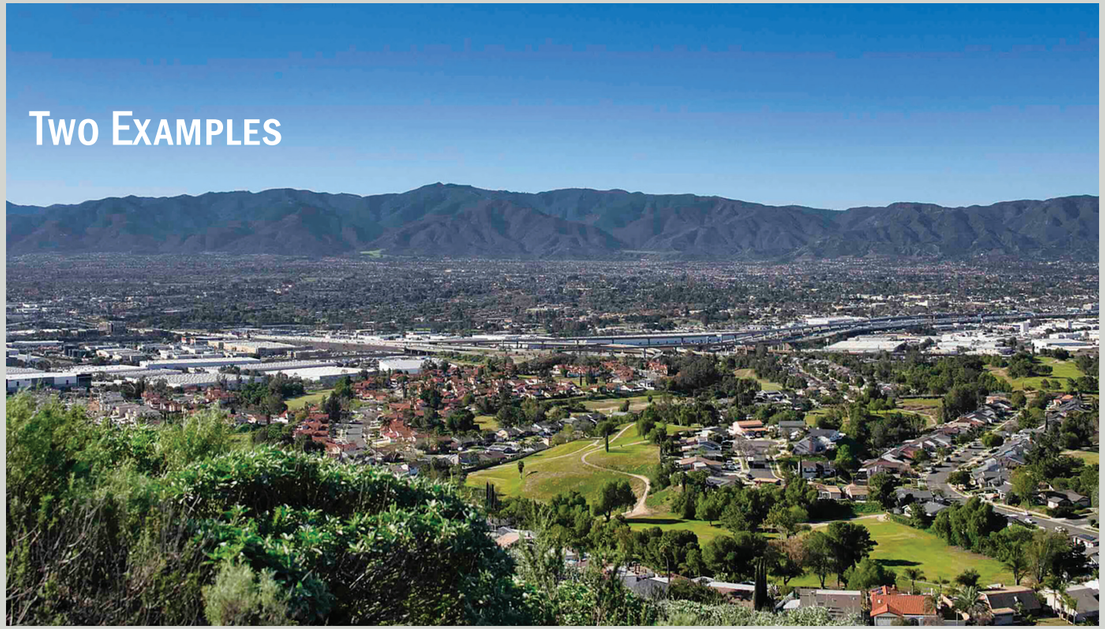
Actions to Take Now to Complete PFAS Settlement Claims

While the first participants in the 3M and DuPont PFAS drinking water settlements are already receiving payments, municipalities that did not detect PFAS in their water supplies until after the June 2023 settlement announcements remain eligible to receive funding through Phase 2 of the process.[2] Those hoping to receive payments through the settlements should begin the steps below as soon as possible to avoid missing their chance to recover.

Step 1: Test for PFAS at Each Individual Wellhead or Surface Water Source

Before municipalities can submit claims, they must determine PFAS concentrations at each wellhead or surface water intake.[3] Some may assume they can use PFAS testing results from the Fifth Unregulated Contaminant Monitoring Rule (UCMR5), a U.S. Environmental Protection Agency (EPA) program that requires public water systems to test their drinking water for a list of unregulated contaminants.[4] However, it's important to

Two Examples



The City of Corona, CA

The magnitude of PFAS drinking water settlements means that, with proper strategy and preparation, individual municipalities with PFAS impact on their water systems may recover millions of dollars or more. However, each participant's outcome will depend on various factors specific to the water system. Below are two examples of cities that achieved positive outcomes for their communities through the settlements.

City of Corona, CA

The City of Corona, CA, relies on groundwater to minimize reliance on costly, unreliable imported surface water. After detecting PFAS above applicable state standards in many of its wells, Corona was forced to reduce production from its groundwater wells and begin planning an expensive treatment plant. To shift these costs from its residents, the City brought legal action against 3M and other PFAS manufacturers.[1] Corona later decided to resolve its claims through participation in the PFAS drinking water settlements. That strategy paid off: The City expects to receive $21 million in settlement funds from 3M alone, with additional funds anticipated from other PFAS manufacturers.

City of Sacramento, CA

Based on limited testing that had been ordered by the State of California, the City of Sacramento detected PFAS in some of its wells and decided to bring suit against the PFAS manufacturers in 2022, before the PFAS drinking water settlements were announced.[2] After the settlements were reached in 2023, the City tested additional wells, including inactive ones, to ensure the completeness of its claims. This resulted in doubling Sacramento's recovery from the 3M and DuPont drinking water settlements beyond its original estimates, securing a total award of approximately $10.4 million. The City has also preserved its rights to make additional claims if PFAS is detected in additional wells or at higher concentrations in the future. By taking these steps, Sacramento has not only obtained a significant sum of money that it can use to offset any PFAS treatment expenses or other capital projects but also helped protect its ratepayers against potential future PFAS costs.



Old Sacramento, CA

note that UCMR5 required testing only at the entry points to the distribution system—that is, treated water bound for area homes and businesses. As a result, municipal water systems may still need to conduct additional testing at individual water sources to acquire the required data for settlement claims.

Settlement participants can submit separate claims requesting reimbursement for testing costs, but doing so means working on a much tighter timeline. The testing costs claims deadline is March 31st, 2026, so municipalities planning to request reimbursement for testing costs must complete testing by March— even though the "action fund" claims are not due until July 31st.

Step 2: Evaluate Special Needs Fund Claims Opportunities

Many municipalities have already dedicated substantial resources to projects to address PFAS detections in their drinking water or plan to begin such projects imminently. Examples may include taking contaminated wells offline, building advanced treatment facilities, purchasing supplemental water, drilling new wells to provide PFAS-free water sources to communities, and more. Local governments can apply for reimbursement of these expenditures by submitting Special Needs Fund claims.[5]

Expenses incurred before the Special Needs Fund claims deadline of August 1st, 2026, may be eligible for reimbursement at the discretion of the Claims Administrator. These claims are separate from the primary "Action Fund" claims, also due in mid-2026, and may provide additional funding beyond the recovery from those claims.

Extensive documentation is required to demonstrate the need for and cost of the project for Special Needs claims. This is a valuable opportunity for municipalities that have taken or are planning to take action to protect public health and water quality to recover some of those unexpected costs.

Step 3: Start Gathering Data & Preparing Claims for 2026 Action Fund Deadlines

Phase 2 Action Fund claims are due on July 31st, 2026, for both the 3M and DuPont settlements.[6] For those planning to seek settlement funds, now is the time to begin preparing documentation. Municipal leaders should consult their legal counsel to determine whether all necessary data is available or whether additional sampling and analysis may yield a better outcome. Delaying claims preparation can be risky, as staff time and resources may be stretched among competing municipal priorities for 2026. Missed deadlines can result in missed funding opportunities, so careful attention to each step is critical.

Don't Leave Settlement Funds on the Table—Start Preparing Now

With billions in total funding at stake through the 3M and DuPont PFAS drinking water settlements, municipalities have a historic opportunity to protect their residents from the financial impact of PFAS contamination and potentially help relieve general budget pressures. Municipal attorneys should pay careful attention to each step of the process to help their municipalities receive the funds they deserve. **ML**

Since 2003, SL Environmental Law Group has worked to ensure that public agencies and their communities are not burdened with the cost of treating contamination. The firm focuses exclusively on contamination litigation, representing local governments, utilities, and airports to hold polluters accountable for cleanup costs—including claims over PFAS, 1,4-dioxane, perchlorate, and 1,2,3-Trichloropropane (TCP). This approach enables clients to recover expenses rather than passing them on to customers. Over the past 20 years, SL has secured more than $2 billion in settlements and trial awards for over 400 clients.

The firm is also deeply involved in the Aqueous Film-Forming Foam multi-district litigation (AFFF MDL No. 2873) against PFAS manufacturers, representing more than 300 agencies nationwide.

https://www.slenvironment.com

Notes

1. Public Water System Settlements, https://www.pfaswatersettlement.com/, last visited November 25, 2025.
2. *See* https://www.pfaswatersettlement.com, *supra*.
3. *See id.*
4. Fifth Unregulated Contaminant Monitoring Rule, https://www.epa.gov/dwucmr/fifth-unregulated-contaminant-monitoring-rule, last visited November 25, 2025.
5. *See* https://www.pfaswatersettlement.com, *supra*.
6. *See id.*

"Two Examples" Notes

1. *Comp. City of Corona, et al. v. 3M Company, et al.*, No. CVRI2100800, (Cal. Super. Ct., Riverside Cty.), filed 2/16/2021
2. *Comp. City of Sacramento v. 3M Company, et al.*, No. 2:22-cv-3799-RMG, (D.S.C.), filed 11/1/2022.