



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.

A 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**

Minutes of a Meeting of the City Council of the City of Novi, County of Oakland, Michigan, held in the City Hall of said City on June 8, 2026, at 7 o'clock P.M. Prevailing Eastern Time.

PRESENT: Councilmembers _____

ABSENT: Councilmembers _____

The following preamble and Resolution were offered by Councilmember _____ and supported by Councilmember _____.

WHEREAS, a civil action and/or claims in Aqueous Film-Forming Foams Litigation MDL No. 2873 ("AFFF") the City of Novi (the "City") is committed to delivering clean drinking water to its customers; and

WHEREAS, the City is also committed to taking reasonable steps to recover cost reimbursements that may be available in the 3M and DuPont Public Drinking Water Settlements and to reduce costs to its consumers; and

WHEREAS, STAG LIUZZA, L.L.C., and ROSATI SCHULTZ JOPPICH & AMTSBEUCHLER, PC have put together a team of uniquely qualified and experienced attorneys ("the Firm") who have joined together to assist public entities seeking to recover cost reimbursements that may be available in the 3M and DuPont Public Drinking Water Settlements; and

WHEREAS, the Firm is comprised of experienced attorneys in both in PFAS litigation and in the representation of public entities pursuing legal claims involving cost recovery in the drinking water settlements; and

WHEREAS, the City Council has determined it to be in the City's best interest to enter into the Legal Services Agreement with the Firm and the filing of claims for the 3M and DuPont Public Drinking Water Settlements in the Aqueous Film-Forming Foams Litigation MDL No. 2873 ("AFFF"); and

WHEREAS, the City desires to authorize the execution of the attached Agreement as Exhibit "A"; and

NOW THEREFORE BE IT RESOLVED by the City Council that the Mayor and City Clerk of the City are hereby authorized to execute the Legal Services Agreement with the Firm based upon the terms and conditions set forth herein and, in a manner, substantially similar to the Agreement attached hereto as Exhibit "A."

AYES:

NAYES:

RESOLUTION DECLARED ADOPTED.

Cortney Hanson, City Clerk

CERTIFICATION

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Novi, County of Oakland, and State of Michigan, at a regular meeting held this 8th day of June, 2026, and that public office of said meeting was given pursuant to and in full compliance with Act No. 267, Public Acts of Michigan, 1976, and that the minutes of said meeting have been kept and made available to the public as required by said Act.

Cortney Hanson, City Clerk
City of Novi

Client has disclosed all potential adverse parties to the Attorneys, and neither the Attorneys nor the Client perceive any conflict of interest in the Attorneys undertaking this engagement on behalf of the Client. If either the Client or the Attorneys, during the representation, receive information indicating that a potential conflict of interest may develop or exist, the Client and the Attorneys agree to bring such information to the immediate attention of the other, and the Attorneys shall proceed to take such steps as may be appropriate in the circumstances.

1. ATTORNEY FEES AND COMMON BENEFIT ASSESSMENT. As compensation for legal services, Client agrees to pay Attorneys for legal services rendered and to be rendered on account of the Client's Claims (hereinafter "Attorney Fees"). Attorney Fees shall be one-third (1/3) of the Gross Amount Recovered for Client's Claims. For any recovery made, Client understands and agrees that Attorney Fees will be divided as follows: 25% to ROSATI SCHULTZ and 75% to STAG LIUZZA, LLC.

Pursuant to Court order, every AFFF settlement claimant must pay an eight percent (8%) common benefit assessment of the Gross Amount Recovered. As a benefit to Client, said Common Benefit Assessment will be credited against the one-third (1/3) Attorneys' Fees herein. Therefore, Client will not separately bear or reimburse Attorneys for the Common Benefit Assessment and Attorneys will be paid a net total contingency fee of 25 1/3%.

Attorney Fees shall all be calculated before the deduction of costs and expenses, as set forth in Section 2 herein. **Client shall only pay attorney fees contingent upon a recovery and shall not pay any attorney fees if there is no recovery.**

2. COSTS AND EXPENSES. In addition to paying Attorney Fees, in the event of a successful recovery, the Client agrees to reimburse all costs and expenses, as set forth herein only in the event of a recovery, which shall be deducted from the Client's share of that recovery. Attorneys may advance expenses on behalf of Client, and Client shall not be responsible for incurring or reimbursing any expenses if the amount of recovery is less than the costs incurred. **Client shall only reimburse costs or expenses advanced by Attorneys in the event of a recovery by settlement or judgment.** But in no event will fees exceed the Compensation as set forth in Paragraph 1, above. If no recovery is made, Attorneys shall bear all unreimbursed costs and expenses incurred, and client shall not be liable for any such costs or expenses incurred by Attorneys. Further, if recovery is insufficient to fully reimburse litigation costs, Attorneys shall bear, and Client shall not be liable for, all costs in excess of the amount of recovery. Subject to the foregoing terms, the Client agrees to reimburse the Attorneys' litigation costs and expenses upon receipt of any settlement funds or collected judgment. But in no event will fees exceed the Compensation as set forth in Paragraph 1, above.

The Attorneys shall have the right and authority, without prior approval of the Client, to incur such litigation costs and expenses as may be necessary or advisable in furtherance of Client's Claims. Litigation costs and expenses may include (but are not limited to) the following: filing fees; deposition costs; expert witness fees; transcript costs; witness fees; subpoena costs; sheriff's and service of process fees; trial consultant fees; mock trial costs; shadow jury fees; mediation fees; court costs; trial exhibit costs; copy costs; photographic, electronic or digital evidence production

or presentation; investigation fees; travel expenses; and any other case-specific expenses directly related to the representation undertaken. Additionally, the Client specifically authorizes the Attorneys to charge as recoverable costs such items such as: computer legal research charges (e.g. Westlaw and/or Lexis); long distance telephone expenses; postage charges; Federal Express, UPS, and other delivery service charges; internal photocopying at a rate of \$.30 per page; facsimile costs at a rate of \$.25 per page; and mileage and outside courier charges, all of which must be incurred solely for the purposes of the representation undertaken. Finally, the Client acknowledges that Client will not be charged costs and expenses for any overhead costs of the Attorneys' practice, including office rent; utility costs; charges for local telephone service; office supplies; fixed asset expenses; and ordinary secretarial and staff services. But in no event will fees exceed the Compensation as set forth in Paragraph 1, above.

3. NO GUARANTEE. Client acknowledges that the Attorneys have made no promise or guarantee regarding the outcome of my legal matter. Client acknowledges that Client's Claims may result in no recovery. Client further acknowledge that the Attorneys shall have the right to cancel this agreement and withdraw from this matter if, in the Attorneys' professional opinion, the matter does not have merit, the Client does not have a reasonably good possibility of recovery, Client refuses to follow the recommendations of the Attorneys, Client fails to abide by the terms of this agreement, the Client fails to provide requested information or assistance, if the continued representation by Attorney would result in a violation of the Rules of Professional Conduct, or at any other time as permitted under the Rules of Professional Conduct.

4. ELECTRONIC DATA COMMUNICATION AND STORAGE. In the interest of facilitating our services to Client, Attorneys may communicate by facsimile transmission, send data over the internet, store electronic data via computer software applications hosted remotely on the internet, or allow access to data through third-party vendors' secured portals or clouds. Electronic data that is confidential to Client may be transmitted or stored using these methods. Attorneys may use third-party service providers to store or transmit this data. In using these data communication and storage methods, Attorneys employ measures designed to maintain data security. Attorneys will make reasonable efforts to keep such communications and data access secure in accordance with the Attorneys' obligations under applicable laws and professional standards. Attorneys also require all Attorneys' third-party vendors to do the same. However, Client acknowledges that some information transmitted to the Attorneys will be public records, and the Client has no expectation that public records will be confidential. Client acknowledges that Attorneys have no control over the unauthorized interception or breach of any communications or data once it has been sent or has been subject to unauthorized access, notwithstanding all reasonable security measures employed by us or our third-party vendors, and Client consents to our use of these electronic devices and applications and submission of confidential client information to third-party service providers during this engagement.

5. PRIVILEGE. The Client acknowledges that this contract is intended to and does hereby assign, transfer, set over, and deliver unto the Attorneys as its fee for representation of the Client in this matter an interest in the claim(s), the proceeds, or any recovery therefrom under the terms and conditions aforesaid, in accordance with the provisions any state law that applies to this contract.

6. MODIFICATION. It contains the entire and complete understanding between the parties and can only be modified by a written amendment signed by all parties.

7. TERMINATION OF REPRESENTATION. Client acknowledges that Client has the right to terminate the representation upon written notice to that effect. Client acknowledges that Client will be responsible for any contingent attorney fees or related expenses incurred prior to the discharge or termination, based on all the facts and circumstances, including the risk taken by the Attorneys in accepting Client's legal representation on a contingency fee basis. Client agrees to cooperate with Attorneys and to comply with all reasonable requests of Attorneys. Client warrants and represents to the Attorneys that all information Client has provided to, or will in the future provide to, the Attorneys regarding Client's Claim is true and correct to the best of Client's knowledge, information, and belief. The Attorneys have the right to withdraw from this representation after giving reasonable notice. If the Attorneys are discharged or otherwise cease to serve as Client's legal counsel prior to full payment of the settlements, then Attorneys shall receive as compensation for services, and in consideration of the work that Attorneys performed to achieve the settlement amount allocated to Client, the full contingency fee earned or reasonably earned by Attorneys. At the conclusion of this matter, the Attorneys will retain Client's legal files for a period of five (5) years after the Attorneys close their files. At the expiration of the five-year period, the Attorneys may destroy these files unless Client notifies the Attorneys in writing that Client wishes to take possession of the files. The Attorneys reserve the right to charge administrative fees and costs associated with retrieving, copying, and delivering such files. But in no event will fees exceed the Compensation as set forth in Paragraph 1, above.

8. ENTIRE AGREEMENT. The undersigned representative of Client has read this agreement, a copy of which Client has received, in its entirety, and Client agrees to and understands the terms and conditions set forth herein. Client acknowledges that there are no other terms or oral agreements existing between the Attorneys and Client. This agreement may not be amended or modified in any way without the prior written consent of the Attorneys and the Client.

9. AUTHORITY. Client acknowledges having been advised to and given the full opportunity to obtain independent representation in the making of this agreement and voluntarily entering into this agreement after such opportunity. Client representative signing below represents that Client enters into this agreement with proper authorization and approval under state and local law, and that the Client representative is specifically authorized to execute this agreement.

EFFECT OF SIGNING

Client understands that this is a binding legal document. Client further understands that this Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail, or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

Date

JUSTIN FISCHER, MAYOR

Date

CORTNEY HANSON, CLERK

Date

**MICHAEL G. STAG
FOR STAG LIUZZA, LLC**

Date

**ELIZABETH SAARELA
FOR ROSATI, SCHULTZ, JOPPICH &
AMTSBEUCHLER, PC**