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⇒ Designates that this item is a change item

Agency Purpose

The mission of the Minnesota Pollution Control Agency (MPCA) is to work with Minnesotans to protect, conserve, and improve our environment and enhance our quality of life.

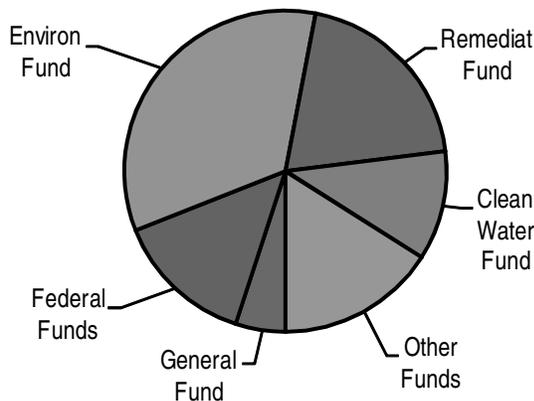
The vision for the MPCA is:

- clean and sustainable surface water and groundwater systems;
- clean and clear air;
- land that supports desired uses;
- excellence in operations; and
- Minnesotans taking responsibility to protect our environment.

At a Glance

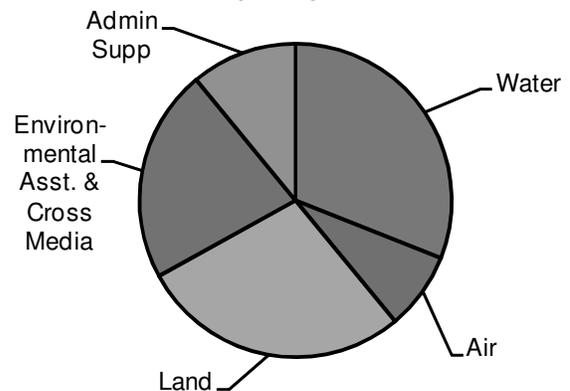
- Leverages partnerships and resources to address environmental issues and achieve results.
- Product stewardship program provides an innovative approach to conserving resources, reducing waste and increasing recycling.
- Addresses complex environmental problems effectively and efficiently through use of technology, technical and financial assistance, prevention, regulation, and cleanup solutions; examples include restoring contaminated soils for future development opportunities.
- Monitors more than 750 sites across the state to determine environmental conditions of air, surface waters and ground water.
- Provides resources to local units of government to reduce air and water pollutants and waste generation, and improve the cost effectiveness of recycling, composting and recovery programs.
- Provides web interface that shares environmental data through programs such as What's in My Neighborhood and Environmental Data Access.
- Performs permitting, inspection, compliance determination, and enforcement actions at sites and facilities whose operations impact the condition of air, water and land.
- Issues over 7,000 water permits, 4,000 air permits and 200 solid and hazardous waste permits, while inspecting and issuing licenses for more than 40,000 sites for hazardous waste generation, feedlots, and tank management.
- Leads state-financed clean-up at 265 contaminated sites and oversees work at an additional 3,000 sites.
- Manages training and certification for over 2,500 wastewater operators, landfill inspectors, tank operators and household hazardous waste facility staff each year.

Est. FY 2010-11 Expenditures by Fund



Source: MAPS FY10 Expenditures & FY11 Current Budget

Est. FY 2010-11 Expenditures by Program



Source: MAPS FY10 Expenditures & FY11 Current Budget

Strategies

The MPCA's mission is implemented following these strategies:

- Focus on priorities and manage for environmental results.
- Actively partner to leverage knowledge, ideas, and resources.
- Rely on data for decision making.
- Integrate environmental, economic and social sciences when developing environmental policy.
- Strive for excellence and innovation in service delivery.

Operations

The MPCA separates its work according to media: water, air and land. Three of the MPCA's five budget programs reflect these three media. Environmental Assistance and Cross-Media, the fourth budget program, includes activities that cross and combine the three major media. Administrative Support, the fifth budget program, encompasses the support services that enable efficient program delivery throughout the agency.

The Commissioner's Office sets the strategic direction for the MPCA and provides an essential link to stakeholders and partners. In addition, the MPCA is organized into eight divisions. Programs and services are managed and delivered through MPCA offices in St. Paul, Duluth, Brainerd, Rochester, Mankato, Detroit Lakes, Willmar, and Marshall.

The Environmental Analysis and Outcomes Division employs staff to monitor and evaluate the physical, chemical, and biological conditions of Minnesota's environment. The Division identifies environmental threats and potential impacts to human health and ecosystems, helps set environmental goals and measures progress in achieving them, establishes environmental standards, conducts risk assessments, develops the permit limits needed for regulatory work, and makes environmental data available to staff, stakeholders, and citizens. This Division also conducts rulemaking regarding the beneficial use of waters of the state.

The Prevention and Assistance Division uses technical and financial assistance to arrive at innovative approaches to environmental problems. Business Assistance staff efforts include product stewardship, market development environmental design, pollution prevention, waste and toxicity reduction as well as operating in compliance. Community development staff builds partnerships with community leaders in topic areas such as low impact designs, green development and sustainability. The Business and Community First Link staff answer regulatory and environmental questions from businesses and citizens about air and water quality, solid and hazardous waste, and storage tank regulation. Services provided through the Information Systems Office includes data management, telecommunications, desktop, Web, GIS, applications development and system security.

The Remediation Division is dedicated to cleaning up accidental spills that pollute the soil, water or air through its Emergency Response Section. The Division addresses pollution that occurred over a long period of time through remediation efforts such as the Closed Landfill and Superfund programs, petroleum contaminated site and leaking storage tank cleanup, Brownfield program for land redevelopment, and the voluntary investigation and cleanup programs.

The Regional Division enables environmental problem solving at the local level. The Division is focused on building local capacity to restore and improve the environment. Water quality programs specifically include feedlots, watershed protection and restoration management, stormwater, and other efforts targeting nonpoint source pollution. Staff also completes environmental review, disburse clean water partnership grants, and complete total maximum daily load (TMDL) plans and studies under Minnesota's Clean Water Legacy Act.

The Industrial Division provides regulatory services for industrial sources of air, water, and land pollution. Permitting, compliance, and enforcement for water and air quality, industrial solid waste, hazardous waste, and industrial stormwater are based in this division as well as the rulemaking for tanks. Recent and significant growth within business sectors prompted the MPCA to form teams to address specific project needs.

The Municipal Division provides regulatory services for publicly-owned wastewater treatment facilities and stormwater facilities. The Division provides regulatory services regarding mixed-municipal land disposal facilities, demolition land disposal and recycling facilities, recycling centers, and transfer stations. This Division provides

technical assistance, permitting, compliance and enforcement services regarding sub-surface sewage treatment systems. The Division is responsible for rules and policy governing the MPCA's water and waste regulatory programs.

The Data Performance Management Division works to implement data and performance management systems. The Division's focus is on creating accessible and useful data management systems; deploy the MPCA's continuous improvement effort; lead organizational development; and advance sustainable practices to reduce the MPCA's environmental footprint and influence other agencies to do likewise.

The Operational Support Division oversees the MPCA's financial management (accounts receivable/payables and grants and contract management) and its business operations (records management, vehicle fleet, equipment and supplies, facilities and leasing, mail and shipping). Further, the Division provides essential support through human resource management and communication services. Division staff is mainly located in St. Paul, although a number of communication professionals work in regional offices.

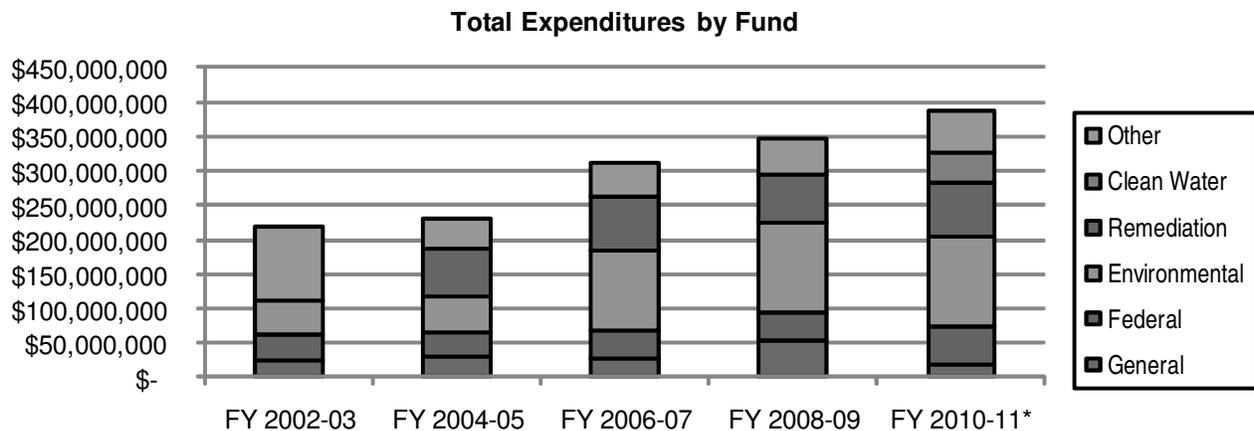
The MPCA Citizens' Board **is unique to state government and acts on significant and controversial environmental issues.**

Budget Trends

The MPCA managed a number of authorized appropriations for FY 2010-11, including appropriation changes from the 2010 Legislative session, totaling \$387.9 million. The mix of funding is 5% General Fund, 34% Environmental Fund, 20% Remediation Fund, 11% Clean Water Fund, 14% federal and 16% other sources.

The graphs below show the MPCA's budget in terms of its media programs and the specific funds used to support the programs. The Environmental Fund receives most of its revenues through fee-based systems and as such is reflective of economic trends. Program work is impacted by changing federal regulations since it operates a number of regulatory programs on behalf of the U.S. Environmental Protection Agency.

Additionally, a trends analysis has been developed to show how the funding has changed over time. It should be noted that the significant increase in FY2006-2007 reflects the merger of the MPCA with the Office of Environmental Assistance.



* FY 2010-11 is estimated, not actual. Source data for the previous chart is the Minnesota Accounting and Procurement System (MAPS) as of 08/30/10.

Contact

For more information, contact Fiscal – Operational Support at (651) 296-6300 or toll-free at 800-657-3864

In addition, visitors can learn more about environmental issues at <http://www.pca.state.mn.us> such as pollution prevention, reuse, recycling, responsible waste management, sustainable practices, as well as regulatory news, rules, public notices, details about environmental quality and current “hot topics.”

MPCA’s strategic plan can be accessed at <http://www.pca.state.mn.us/index.php/about-mpca/mpca-overview/agency-strategy/mpca-strategic-plan.html>

POLLUTION CONTROL AGENCY

Agency Overview

Dollars in Thousands

	Current		Governor Recomm.		Biennium 2012-13
	FY2010	FY2011	FY2012	FY2013	
<u>Direct Appropriations by Fund</u>					
Environment & Natural Resource					
Current Appropriation	425	0	0	0	0
Recommended	425	0	0	0	0
Change		0	0	0	0
% Biennial Change from 2010-11					-100%
General					
Current Appropriation	10,300	8,917	8,917	8,917	17,834
Recommended	10,300	8,917	9,305	7,805	17,110
Change		0	388	(1,112)	(724)
% Biennial Change from 2010-11					-11%
State Government Spec Revenue					
Current Appropriation	48	48	48	48	96
Recommended	48	48	75	75	150
Change		0	27	27	54
% Biennial Change from 2010-11					56.2%
Environmental					
Current Appropriation	61,524	62,183	62,126	62,126	124,252
Recommended	61,524	62,183	62,632	62,801	125,433
Change		0	506	675	1,181
% Biennial Change from 2010-11					1.4%
Remediation Fund					
Current Appropriation	11,086	11,086	11,086	7,470	18,556
Recommended	11,086	11,086	10,496	10,496	20,992
Change		0	(590)	3,026	2,436
% Biennial Change from 2010-11					-5.3%
Clean Water					
Current Appropriation	23,976	23,130	23,130	23,130	46,260
Recommended	23,976	23,130	28,040	24,625	52,665
Change		0	4,910	1,495	6,405
% Biennial Change from 2010-11					11.8%

POLLUTION CONTROL AGENCY

Agency Overview

Dollars in Thousands

	Current		Governor Recomm.		Biennium
	FY2010	FY2011	FY2012	FY2013	2012-13
<u>Expenditures by Fund</u>					
Direct Appropriations					
Environment & Natural Resource	375	11	0	0	0
General	8,920	9,383	9,305	7,805	17,110
State Government Spec Revenue	44	52	75	75	150
Environmental	59,444	59,473	59,117	59,286	118,403
Remediation Fund	9,234	10,507	10,378	10,377	20,755
Clean Water	15,407	31,699	28,040	24,625	52,665
Statutory Appropriations					
Environment & Natural Resource	425	0	0	0	0
Clean Water Revolving Fund	8,742	3,516	4,073	4,073	8,146
State Government Spec Revenue	1	2	2	2	4
Miscellaneous Special Revenue	20,283	24,353	21,779	21,754	43,533
Federal	21,391	31,759	26,965	25,722	52,687
Federal Stimulus	4,891	4,540	648	0	648
Environmental	2,689	3,366	3,650	3,783	7,433
Remediation Fund	27,695	31,519	22,827	23,346	46,173
Gift	1,725	1,054	0	0	0
Total	181,266	211,234	186,859	180,848	367,707
<u>Expenditures by Category</u>					
Total Compensation	74,243	74,282	74,627	71,760	146,387
Other Operating Expenses	71,292	92,109	75,019	64,631	139,650
Capital Outlay & Real Property	46	0	0	0	0
Local Assistance	26,785	41,921	33,666	31,377	65,043
Other Financial Transactions	8,900	2,922	2,860	2,977	5,837
Transfers	0	0	687	10,103	10,790
Total	181,266	211,234	186,859	180,848	367,707
<u>Expenditures by Program</u>					
Water	56,088	71,321	62,394	56,261	118,655
Air	12,971	13,994	13,521	13,792	27,313
Land	51,624	57,047	45,106	44,957	90,063
Environmental Asst Crossmedia	40,926	45,879	44,106	44,106	88,212
Administrative Support	19,657	22,993	21,732	21,732	43,464
Total	181,266	211,234	186,859	180,848	367,707
Full-Time Equivalents (FTE)	921.9	920.0	920.3	880.1	

POLLUTION CONTROL AGENCY

Change Summary

<i>Dollars in Thousands</i>				
	FY2011	Governor's Recomm.		Biennium
		FY2012	FY2013	2012-13
Fund: ENVIRONMENT & NATURAL RESOURCE				
FY 2011 Appropriations	0	0	0	0
Subtotal - Forecast Base	0	0	0	0
Total Governor's Recommendations	0	0	0	0
Fund: GENERAL				
FY 2011 Appropriations	8,917	8,917	8,917	17,834
Technical Adjustments				
Biennial Appropriations		41	41	82
One-time Appropriations		(450)	(450)	(900)
Subtotal - Forecast Base	8,917	8,508	8,508	17,016
Change Items				
General Fund Reduction	0	(854)	(854)	(1,708)
Env. Quality Board Transfer to MPCA	0	151	151	302
Wild Rice Sulfate Toxicity Testing	0	1,500	0	1,500
Total Governor's Recommendations	8,917	9,305	7,805	17,110
Fund: STATE GOVERNMENT SPEC REVENUE				
FY 2011 Appropriations	48	48	48	96
Subtotal - Forecast Base	48	48	48	96
Change Items				
Wastewater Certification and Exam	0	27	27	54
Total Governor's Recommendations	48	75	75	150
Fund: ENVIRONMENTAL				
FY 2011 Appropriations	62,183	62,126	62,126	124,252
Technical Adjustments				
One-time Appropriations		(50)	(50)	(100)
Subtotal - Forecast Base	62,183	62,076	62,076	124,152
Change Items				
General Fund Reduction	0	0	0	0
Env. Quality Board Transfer to MPCA	0	75	75	150
E-Waste- Direct Appropriation	0	315	315	630
Air Appropriation Increased	0	166	335	501
Total Governor's Recommendations	62,183	62,632	62,801	125,433
Fund: REMEDIATION FUND				
FY 2011 Appropriations	11,086	11,086	7,470	18,556
Subtotal - Forecast Base	11,086	11,086	7,470	18,556
Change Items				
VIC Appropriation Reduction	0	(590)	(590)	(1,180)
Petroleum Remediation Program	0	0	3,616	3,616
Total Governor's Recommendations	11,086	10,496	10,496	20,992
Fund: CLEAN WATER				
FY 2011 Appropriations	23,130	23,130	23,130	46,260
Technical Adjustments				
One-time Appropriations		(23,130)	(23,130)	(46,260)
Subtotal - Forecast Base	23,130	0	0	0
Change Items				
Clean Water Funding	0	28,040	24,625	52,665

POLLUTION CONTROL AGENCY

Change Summary

<i>Dollars in Thousands</i>				
	FY2011	Governor's Recomm.		Biennium
		FY2012	FY2013	2012-13
Total Governor's Recommendations	23,130	28,040	24,625	52,665
Fund: CLEAN WATER REVOLVING FUND				
Planned Statutory Spending	3,516	4,073	4,073	8,146
Total Governor's Recommendations	3,516	4,073	4,073	8,146
Fund: STATE GOVERNMENT SPEC REVENUE				
Planned Statutory Spending	2	2	2	4
Total Governor's Recommendations	2	2	2	4
Fund: MISCELLANEOUS SPECIAL REVENUE				
Planned Statutory Spending	24,353	21,769	21,744	43,513
Change Items				
Landfill Financial Assurance Review	0	10	10	20
Total Governor's Recommendations	24,353	21,779	21,754	43,533
Fund: FEDERAL				
Planned Statutory Spending	31,759	26,965	25,722	52,687
Total Governor's Recommendations	31,759	26,965	25,722	52,687
Fund: FEDERAL STIMULUS				
Planned Statutory Spending	4,540	648	0	648
Total Governor's Recommendations	4,540	648	0	648
Fund: ENVIRONMENTAL				
Planned Statutory Spending	3,366	2,535	2,652	5,187
Change Items				
E-Waste- Direct Appropriation	0	0	0	0
Metropolitan Solid Waste Landfill Fee	0	1,115	1,131	2,246
Total Governor's Recommendations	3,366	3,650	3,783	7,433
Fund: REMEDIATION FUND				
Planned Statutory Spending	31,519	22,827	17,546	40,373
Change Items				
Petroleum Remediation Program	0	0	5,800	5,800
Total Governor's Recommendations	31,519	22,827	23,346	46,173
Fund: GIFT				
Planned Statutory Spending	1,054	0	0	0
Total Governor's Recommendations	1,054	0	0	0
<u>Revenue Change Items</u>				
Fund: STATE GOVERNMENT SPEC REVENUE				
Change Items				
Wastewater Certification and Exam	0	27	27	54
Fund: MISCELLANEOUS SPECIAL REVENUE				
Change Items				
Landfill Financial Assurance Review	0	10	10	20
Fund: ENVIRONMENTAL				
Change Items				
Metropolitan Solid Waste Landfill Fee	0	1,115	1,131	2,246
Air Appropriation Increased	0	166	335	501

POLLUTION CONTROL AGENCY

Change Summary

<i>Dollars in Thousands</i>				
	FY2011	Governor's Recomm.		Biennium
		FY2012	FY2013	2012-13
Fund: REMEDIATION FUND				
Change Items				
Metropolitan Solid Waste Landfill Fee	0	372	377	749

POLLUTION CONTROL AGENCY

Program: ENVIRONMENTAL ASST CROSSMEDIA

Change Item: E-Waste- Direct Appropriation

Fiscal Impact (\$000s)	FY 2012	FY 2013	FY 2014	FY 2015
Environmental Fund				
Expenditures - Statutory	\$(315)	\$(315)	\$(315)	\$(315)
Expenditures - Direct	315	315	315	315
Revenues				
Net Fiscal Impact	\$0	\$0	\$0	\$0

Recommendation

The Governor recommends the MPCA's e-waste activity be moved from a statutory to a direct appropriation. The Governor further recommends that this direct appropriation come from the environmental fund, in the amount of \$315,000 in FY 2012 and \$315,000 in FY 2013.

Rationale

Under M.S. 115A.1314, subdivision 2(b), the MPCA no longer has statutory authority to spend the revenue collected from fees paid by electronics manufacturers to carry out the MPCA's electronic waste program after June 30, 2011.

Rider language from Laws 2009, Chapter 37, Article 2, Section 3, subdivision 5 directs the MPCA to report on revenues received and program expenditures during fiscal years 2010 and 2011 to determine if fees collected cover the costs of the electronic waste program. The MPCA completed the required report in December 2010. The report may be found at: <http://www.pca.state.mn.us/index.php/view-document.html?gid=15316>.

Based on this assessment the MPCA is directed to prepare a request such that beginning July 1, 2011 the e-waste program will be funded by a direct appropriation from the Environmental Fund.

This budget change item also includes other e-waste program provisions that will be effective on July 1, 2011. The electronic waste dedicated account in the environmental fund is abolished, and the fees charged under the program will be reclassified and deposited as nondedicated rather than dedicated receipts. Fees will be deposited to the environmental fund at the fund level.

Key Goals and Measures

This request is for a change in the funding mechanism for the MPCA's e-waste program activity. The goals and measures associated with the program remain unchanged. The expected outcomes for the program will include increase collection sites (by 5 percent) and an increase in the amount of e-waste collected (by 15%) over FY2011 levels.

Technology Funding Detail

- This is not a technology funding proposal.

Statutory Change: M.S. 115A.1314 and M.S. 115A.1320.

POLLUTION CONTROL AGENCY

Change Item: General Fund Reduction

Fiscal Impact (\$000s)	FY 2012	FY 2013	FY 2014	FY 2015
General Fund				
Expenditures	\$(854)	\$(854)	\$(854)	\$(854)
Revenues	0	0	0	0
Net Fiscal Impact	\$(854)	\$(854)	\$(854)	\$(854)

Recommendation

The Governor recommends a reduction of \$854,000 in FY 2012 and \$854,000 in FY 2013 to the MPCA's general fund operating budget. Downsized agency operations in the environmental fund enable the Agency to re-point program operations from the general fund to the environmental fund. The Governor intends that the MPCA should focus its operating funds on maintaining its highest priority services. In addition, the Governor intends to provide as much flexibility as possible to the agency for the implementation of these reductions.

This proposal represents a 10% percent reduction to MPCA base general fund forecast budget.

Rationale

The MPCA's total base forecast general fund operating budget is \$8,508 thousand for FY 2012 and \$8,508 thousand for 2013 and includes amounts budgeted for the Water Program, Environmental Assistance and Cross Media (EACM) Program, and Administrative Support. The MPCA is proposing to reduce General Fund operating expenditures and positions during the FY 2012-13 biennium. Specifically, the MPCA will reduce operating budgets by the following amounts:

- EACM Program - \$350 in each of FY 2012 and FY 2013 ,
- Water Program: Community Technical Assistance - \$289 in each of FY 2012 and FY 2013, and
- Water Program: Clean Water Partnership - \$215 in each of FY2012 and FY 2013,

The reduction to EACM decreases the general fund appropriation to this program by 51 percent. Activities within this budget program that will continue with funding from the Environmental Fund include environmental monitoring and analysis, data analysis that support our water programs in the areas of permitting, impaired waters determinations, and the development of appropriate surface water standards.

The reduction to the Water Program decreases the General Fund appropriation by 8 percent. This proposal eliminates the General Fund appropriation for community technical assistance and moves these program expenses to the Environmental Fund. This work supports MPCA technical assistance and grants to counties for the implementation of subsurface sewage treatment program at the local level. The General Fund appropriation for Clean Water Partnership grants is also reduced annually by \$215, less than 10 percent of the annual appropriation for this grant program. The MPCA awards Clean Water Partnership grants for qualifying projects that demonstrate an emphasis on the protection of water resources. The MPCA will also award the partnership grants consistent with the strategy that allocates resources to specific watersheds based on a multi-year plan. This reduction will result in 1-2 fewer grants per year to local governments.

Technology Funding Detail

- This is not a technology funding proposal.

Statutory Change: Not Applicable.

POLLUTION CONTROL AGENCY

Change Item: Landfill Financial Assurance Review

Fiscal Impact (\$000s)	FY 2012	FY 2013	FY 2014	FY 2015
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Miscellaneous Special Revenue Fund				
Expenditures	\$10	\$10	\$10	\$10
Revenues	10	10	10	10
Net Fiscal Impact	\$0	\$0	\$0	\$0

Recommendation

The Governor recommends that the MPCA be authorized to recover from permit applicants all necessary and reasonable costs incurred by the Commissioner in hiring third parties to evaluate innovative financial assurance proposals made by permit applicants for new solid waste landfills. This charge would be only be applied when the permittee proposes a mechanism currently not contained in Minn. R. 7035. The increased revenues will be deposited to the Miscellaneous Special Revenue Fund and appropriated to the MPCA commissioner to fund the costs of the financial review.

Rationale

In 2008, the Minnesota Legislature directed MPCA to develop solid waste rules that ensure the state is protected from costs associated with future groundwater contamination. In 2010, the Legislature further directed MPCA to limit new rules to certain types of new landfills and to periodically consult with Minnesota Management and Budget (MMB) on these matters.

Following discussions between MMB, Department of Commerce, Department of Natural Resources, and MPCA representatives, the agencies concluded that state government has the ability to review certain common forms of financial assurance and carry out the legislative directive to ensure state financial protection. However, the solid waste landfill regulated community sometimes proposes using financial assurance mechanisms that are not anticipated in the rules. In these instances, state government is not positioned to reliably review and ensure state financial protection.

The participating agencies also concluded it may be possible to draft rules that provide the regulated community some flexibility to propose financial assurance options if the MPCA had authority to recover the cost of contracted expert services, to review uncommon, complex, or innovative financial assurance proposals. Because these types of services are outside of the normal course of agency work, charging permit applicants for these costs seems appropriate only for those receiving this specialized service.

The MPCA would not use contracted services for common and straight-forward financial assurances mechanisms such as cash funded trust funds or letters of credit. These are currently the most common forms of financial assurance.

Key Goals and Measures

This proposal relates to two Minnesota Milestone goals:

- Indicator 36. Satisfaction with government services. This proposal will allow regulated parties the increased flexibility they have requested.
- Indicator 59. Water Use: clean and abundant water supply. This proposal will also ensure ongoing protection of groundwater that may be used as drinking water.

The proposal will be measured as follows:

- Use of financial assurance to finance landfill operation or cleanup.
- Permit applicant satisfaction with implementation of this proposal.

Technology Funding Detail

- This is not a technology funding proposal.

Statutory Change: M.S. 116.07.

POLLUTION CONTROL AGENCY

Program: LAND

Change Item: Metropolitan Solid Waste Landfill Fee

Fiscal Impact (\$000s)	FY 2012	FY 2013	FY 2014	FY 2015
Environmental Fund				
Expenditures (Metro Landfill Abatement Account)	\$1,115	\$1,131	\$1,148	\$1,166
Revenues (Metro Landfill Abatement Account)	1,115	1,131	1,148	1,166
Remediation Fund				
Revenues (Metro Landfill Contingency Action Trust Account)	372	377	383	389
Net Fiscal Impact	\$(372)	\$(377)	\$(383)	\$(389)

Recommendation

The Governor recommends amending M. S. 115A to extend the Metropolitan Solid Waste Landfill Fee (Fee) for mixed municipal solid waste generated in the metropolitan area but is accepted at land disposal facilities outside the metropolitan area. The fee would be deposited to the Metropolitan Landfill Abatement Account (MLAA) and the Metropolitan Landfill Contingency Action Trust Fund (MLCAT), in accordance with the disposition of proceeds described in M.S. § 473.843 Subd. 2. This change would allow the additional funds to be used for landfill abatement (waste reduction, recycling, composting, and processing) in the metropolitan area as well as reserving funds to manage the post-closure expenses for landfills located in the metropolitan area.

Rationale

Over the last 10 years, solid waste haulers have increasingly used land disposal to manage solid waste generated in the metropolitan area while recycling rates have remained flat. Importantly, the metro-generated solid waste managed at landfills located outside of the metro area avoids the fee required under M. S. § 473.843. Further, waste processing in the metro area decreased during this time, and the area is in danger of losing this component of the waste management system. Ensuring that all solid waste generated in the metro area, regardless of where it is landfilled, is charged the Fee ensures that funding for landfill abatement in the metro area is collected and that sufficient funds are generated for the ongoing care of land disposal facilities in the metro area. When the Fee was created most, if not all, of the waste generated in the metropolitan area was being disposed of in landfills located in the metropolitan area. Today, approximately 33 percent of solid waste generated in the metropolitan area is disposed of primarily at two landfills in greater Minnesota, located in Sherburne and McLeod Counties. This represents a loss of revenues to the metropolitan area of approximately \$1.5 million, which would otherwise be spent primarily on landfill abatement.

Because it will represent a change for fees at greater Minnesota landfills, new statutory language will be included in M.S. 115A that mirrors and complements the current metropolitan statute. If implemented, this change will increase revenues deposited to the MLAA. This money will continue to be statutorily appropriated under M. S. §473.844 and under the new proposed section in M.S.115A to be spent only in the metropolitan area for the following purposes:

- (1) assistance to any person for resource recovery projects funded under subdivision 4 or projects to develop and coordinate markets for reusable or recyclable waste materials, including related public education, planning, and technical assistance;
- (2) grants to counties under M.S. 473.8441;
- (3) program administration;
- (4) public education on solid waste reduction and recycling;
- (5) solid waste research; and
- (6) grants to multicounty groups for region wide planning for solid waste management system operations and use of management capacity.

POLLUTION CONTROL AGENCY

Program: LAND

Change Item: Metropolitan Solid Waste Landfill Fee

This statute specifies that the MPCA shall allocate at least 50 percent of the annual revenue received by the account for grants to Metro counties under the Local Recycling Development Grant Program (LRDG). Therefore, LRDG grants to counties will increase.

The extension of the Fee to non-metropolitan landfills receiving waste generated in the metropolitan area would be implemented in FY 2012. Non-metropolitan landfills would be required to monitor origins of waste by obtaining this information from waste haulers, individuals and businesses dropping off waste; collect the Fee, and remit it to the Department of Revenue. The Fee is \$6.66 per ton or \$2 per cubic yard of waste accepted at the facility. The exemptions indicated in M. S. §473.843, subd 1 (c) would still apply.

The MPCA's 2010 Metropolitan Solid Waste Management Policy Plan sets specific and quantifiable objectives for abating landfilling in the metropolitan area, and this change would support the goals, policies, and objectives in the Plan by funding programs that move the region toward the objectives.

Key Goals

This change supports the original intent of M. S. § 473.843. Additionally, with the funds, the Metro counties would be supported in their efforts to meet the multiple goals for solid waste and recycling under Minnesota Milestones, the MPCA's strategic goals, and the 2010 Metropolitan Solid Waste Policy Plan.

Minnesota Milestones goal:

Indicator 61: Solid waste and recycling

Goal: *Minnesotans will conserve natural resources to give future generations a healthy environment and a strong economy.* Continued prosperity and community well-being depend on conserving and maintaining the natural systems that are the base for economic activity.

The MPCA supports waste management's role in greenhouse gas reduction, as stated in the Minnesota Climate Change Advisory Group's goals and reflected in the MPCA's Strategic Plan Goal:

Goal L.1 Ensure solid waste is managed to conserve materials, resources, and energy.

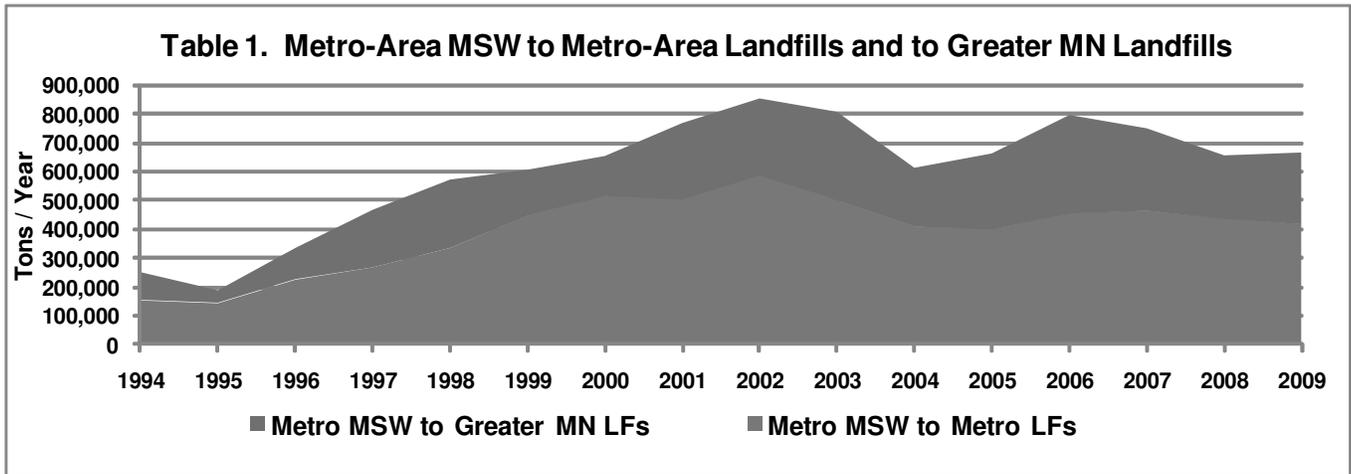
Objective L1a) By January 1, 2025, achieve a total reduction of 75 million metric tons of greenhouse gas attributed to changes in waste generation, materials conservation, and resource management practices.

The 2010 Metropolitan Solid Waste Policy Plan (Plan) sets solid waste policy for the metropolitan area. The Plan includes goals and policies that place an emphasis on the waste management hierarchy and support the mandatory processing law (M.S. § 473.848), which requires that all waste in the metropolitan area be processed before disposal. The Plan sets a ceiling on landfilling of 11 percent by 2030 and sets additional numerical objectives for source reduction, recycling, organics recovery, and resource recovery that support landfill abatement. Currently, the metropolitan area is landfilling 28 percent of its waste. Table 1 shows the amount of waste generated in the metropolitan area but disposed of outside of the area.

POLLUTION CONTROL AGENCY

Program: LAND

Change Item: Metropolitan Solid Waste Landfill Fee



Key Measures

This change can be measured using data that is collected by counties and reported to the MPCA, under a 1989 law commonly referred to as SCORE (Select Committee on Recycling and the Environment), which tracks recycling, composting, resource recovery and land disposal rates for each county. From this information, the MPCA has determined that recycling rates have remained flat for the last 10 years, while resource recovery has declined and landfilling has increased. The increase in available funds for metropolitan county landfill abatement is expected to raise recycling, composting, and resource recovery, and reduce waste generation.

Statutory Change: M. S. 115A.930.

POLLUTION CONTROL AGENCY

Program: AIR

Change Item: Air Appropriation Increased

Fiscal Impact (\$000s)	FY 2012	FY 2013	FY 2014	FY 2015
Environmental Fund Expenditures	\$166	\$335	\$335	\$335
Revenues	0	0	0	0
Net Fiscal Impact	\$166	\$335	\$335	\$335

Recommendation

The Governor recommends an increase of \$166,000 in FY 2012 and \$335,000 in FY 2013 in the appropriation to the Air Program from the environmental fund. The appropriation increase will enable the Minnesota Pollution Control Agency (MPCA) to maintain the level of service provided by the Air Program to industrial and municipal emission sources given the increased costs of staffing and other related program support expenses.

Rationale

The federal Clean Air Act (CAA) includes a requirement for states to charge air emission fees to cover the cost of issuing permits to facilities that emit air pollutants. The CAA also requires air permit fee increases to cover inflation and assure that adequate resources are available to meet the requirements of the Act. Salaries, benefits and program support costs are all projected to increase in FY 2012-13.

State law provides for fee adjustments as program costs increase. Specifically, M.S. 116.07, subd. 4d (b) authorizes MPCA to increase air permit fees to cover the costs of the air quality program. Air permit fees are deposited to the environmental fund. MPCA must request an increase to its annual appropriation from the environmental fund to cover increased program costs. Without the authorized increase, funding for air permitting will remain at FY 2010-11 levels. With program costs increasing by an estimated 1.5% per fiscal year, appropriations capped at the FY 2010-11 level would force the MPCA to reduce program service levels in FY 2012-13 to fit existing funding.

Key Measures

This change request will enable MPCA to continue its level of effort for air quality regulatory, mobile source and monitoring programs. The current level of service includes support for existing program staff; contracts for assistance to reduce the permitting backlog; and state rule updates to meet federal requirements.

Statutory Change: Not applicable

POLLUTION CONTROL AGENCY

Program: ENVIRONMENTAL ASST CROSSMEDIA

Change Item: Env. Quality Board Transfer to MPCA

Fiscal Impact (\$000s)	FY 2011	FY 2012	FY 2013	FY 2014
General Fund Expenditures	\$151	\$151	\$151	\$151
Environmental Fund Expenditures	75	75	75	75
Net Fiscal Impact	\$226	\$226	\$226	\$226

Recommendation

The Governor recommends moving the technical and administrative support of the Environmental Quality Board (EQB) to the Minnesota Pollution Control Agency (MPCA) from the Department of Administration. The recommended annual general fund appropriation of \$151,000 per year will go to MPCA's Environmental Assistance and Cross-Media program. The Governor also recommends that the MPCA increase its environmental fund appropriation to its Environmental Assistance and Cross-Media program by \$75 thousand to ensure the necessary operating funds are available to support EQB activities.

Rationale

Transfer of the technical and administrative support of the EQB to the MPCA enhances state government's ability to protect, conserve and enhance Minnesota's environment. The transfer of existing EQB staff to the MPCA will provide the EQB with improved availability to environmental expertise, rulemaking, and strategy development resulting in greater transparency, accountability and accessibility. Bringing together the staffs eliminates a duplication of service to local government units relating to environmental review, strengthens the technical expertise water-related policy and plan development, and provides legislators and citizens access to EQB Board members, environmental data, technical reports and information.

The executive and legislative branches of government continually seek ways to create forums that focus on strategic discussions of the environment. The EQB has long been of part of that process. However, the EQB's current organizational location within the IT office in the Department of Administration obscures this role. The EQB can be a more effective entity if supported by the MPCA, an agency that focuses on the environment as its mission and has a proactive, involved Citizens' Board. The MPCA maintains a large meeting room for use by its Citizens' Board and the public for meetings regarding a number of issues. The EQB already utilizes this room for its meetings and thus, no re-orienting will be required for citizens interested in participating with the Board.

The MPCA and EQB staff will continue to work with other state agencies, local governmental units, environmental organizations and concerned citizens. The EQB staff will transfer to the MPCA effective in FY2012. The EQB staff bring valuable expertise, understanding, and relationships to the MPCA. The MPCA will fully incorporate the work of the EQB and provide staff with enhanced resources, tools, leadership and connections to achieve the goals common to the State, the EQB, and the MPCA. The MPCA remains committed to the ensuring that ongoing assistance and advice is offered to local governmental units as EQB staff currently do.

Key Goals and Measures

This change item will result in a continued focus on the water quality of Minnesota's lakes, rivers and streams, and groundwater. With its experience working with multiple state agencies on water initiatives, the EQB will:

- ◆ allow for heightened activity to keep these issues at the forefront of the environment agenda;
- ◆ engage more state citizens in developing strategies related to state water resources; and
- ◆ lead discussions needed to determine future environmental policy.

Additionally, as the EQB is more fully integrated into the MPCA, other environmental issues of concern will likely encompass its focus.

Statutory Change: M.S. 116C.03

POLLUTION CONTROL AGENCY

Program: LAND

Change Item: Petroleum Remediation Program

Fiscal Impact (\$000s)	FY 2012	FY 2013	FY 2014	FY 2015
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Fund				
Expenditures	0	\$9,416	\$9,416	\$9,416
Revenues	0	0	0	0
Net Fiscal Impact	0	\$9,416	\$9,416	\$9,416

Recommendation

The Governor recommends amending the repealer date (i.e. "sunset date") in M. S. §115C.13 from June 30, 2012 to June 30, 2017. This legislation would result in a five-year extension of the Petroleum Tank Release Cleanup Fund (Petrofund) program at the Department of Commerce, as well as provide funding for Minnesota Pollution Control Agency and the Department of Employment and Economic Development Petrofund programs (separate *Change Item* documents will be submitted by named agencies). Because all current and proposed expenditures are fully covered by the Petrofund fee, there would be no effect on the General Fund.

Rationale

Federal financial responsibility regulations require that petroleum storage tank owners have at least \$1 million of coverage to address contamination from leaking tanks and to pay third-party liability claims. The "sunset" of the Petrofund, which has served as the tank owners' financial assurance mechanism since 1987, would negatively impact their ability to comply with federal law and would likely result in financial hardships for those tank owners who could not obtain alternative coverage and were obligated to incur the costs related to investigating and cleaning up petroleum contamination on their own.

The PRP objective is to ensure clean drinking water and air supplies, and safety from explosive vapors. The program does this by eliminating pathways linking contaminant sources to receptors. A response is required if there are verifiably detectable impacts of petroleum contaminants in drinking water, petroleum vapors in living spaces, or petroleum vapors causing explosive potential in confined spaces. Free product recovery to the extent practicable is required.

In general, the PRP implements a risk-based approach to corrective action at petroleum release sites. Where pathways linking contaminant sources to receptors exist, risk removal efforts might include: replacement of the water supply wells or providing municipal water; long-term point-of-use treatment of contaminated ground water; or active remediation of petroleum contaminated soil and ground water. Water supply replacement is frequently chosen because it provides the surest means of breaking the pathway linking contaminant sources to receptors. Where risks to receptors are low and contamination plumes are stable, contamination is left in place to degrade naturally over time.

The effective implementation date would be the first day of the extension: July 1, 2012.

Key Goals and Measures

The key goal of the Petrofund program is to provide timely assistance to those who are cleaning up contaminated soil and groundwater from leaking petroleum storage tanks, with the ultimate goal of helping to protect the public health and welfare and the environment. These objectives go hand-in-hand with the Minnesota Milestones statewide goal regarding water use, which states, in part, "A clean and abundant water supply is essential to economic and human health."

The principal measures for the program include:

- The prompt investigation, cleanup, and closure of petroleum tank release sites.
- Ensuring that these investigations, cleanups, and closures occur as quickly as possible without compromising our mandate to protect human health and the environment.

POLLUTION CONTROL AGENCY

Program: LAND

Change Item: Petroleum Remediation Program

- Coordinating with the responsible parties and the Department of Commerce to ensure prompt and proper reimbursement of eligible expenses incurred during investigation and cleanup of petroleum releases.

Statutory Change: M. S. §115C.13.

POLLUTION CONTROL AGENCY

Program: LAND

Change Item: VIC Appropriation Reduction

Fiscal Impact (\$000s)	FY 2012	FY 2013	FY 2014	FY 2015
Remediation Fund				
Expenditures	\$(590)	\$(590)	\$(590)	\$(590)
Revenues	0	0	0	0
Net Fiscal Impact	\$(590)	\$(590)	\$(590)	\$(590)

Recommendation

The Governor recommends an appropriation reduction to the Land Program of \$590,000 in each of FY 2012 and FY 2013 from the remediation fund. The reduction decreases the direct appropriation to the Voluntary Investigation and Cleanup (VIC) program implemented through the Agency's Remediation Division.

Rationale

In its base budget, the Land Program receives for the VIC program a direct appropriation of \$1.590 million in each of FY 2012 and FY 2013 from the remediation fund. For the past several fiscal years a portion of the appropriation has gone unneeded and unused. This budget initiative seeks to reduce the annual direct appropriation by more than a third. The Agency is not reducing its support for brownfield redevelopment. Rather, the MPCA is utilizing its existing authority to generate fees to reimburse the staff time devoted to this effort. The direct fee revenue will provide a portion of the funding needed for this program.

The slowdown of the state and national economy has had a direct impact on the number of properties where redevelopment is occurring. As a result, fewer staff are needed to provide support and oversight to business and government organization conducting brownfield redevelopment projects and, thus, fewer dollars are required.

However, as the state's economy improves and more properties with environmental contamination undergo redevelopment, the Agency has determined this program can operate through direct appropriated funding from the Remediation Fund and the fee revenues generated by the program. This funding mechanism has been in existence and is appropriate to fund the ongoing VIC program delivery.

Key Goals and Measures

The goals and measures of the VIC program remain unchanged. This budget initiative recognizes the Agency's ability to employ a different funding model for the delivery of services through the VIC program.

The MPCA will monitor its ability to meet the needs of business and government organizations conducting brownfield redevelopment. The combination of a direct appropriation and fee revenues will enable the Agency to provide a stable level of staffing as well as a flexible staffing component that corresponds to peaks and valleys in the workload under this program effort.

Statutory Change: None required.

POLLUTION CONTROL AGENCY

Program: **WATER**

Change Item: Clean Water Funding

Fiscal Impact (\$000s)	FY 2012	FY 2013	FY 2014	FY 2015
Clean Water Fund				
Expenditures	\$28,040	\$24,625	0	0
Net Fiscal Impact	\$28,040	\$24,625	0	0

Recommendation

The Governor recommends appropriations to the MPCA of \$28.040 million in FY 2012 and \$24.625 million in FY 2013 from the clean water fund to meet the requirements of M.S. 114D, the state Clean Water Legacy Act (CWLA), and the federal Clean Water Act (CWA). Funding from the appropriation will be used to assess the quality of lakes, rivers and streams; develop Total Maximum Daily Load (TMDL) reports (watershed restoration and protection strategies) to identify measures and extent for restoring and protecting water quality; complete research on alternatives and allow for regulatory work needed to implement the watershed strategies; assess groundwater for the protection of drinking water; and, leverage available federal money to make a significant start on St. Louis River restoration, which includes Lake Superior, a drinking water supply source for the City of Duluth.

Rationale

The CWLA and CWA require the state to make reasonable progress in assessing waters of the state for impairments and in developing plans for restoring waters to their intended uses. This initiative will address a number of issues crucial to studying and maintaining water quality in Minnesota and moving forward with restoration:

- Increases the ability of the state to address key requirements of Section 303(d) of the federal CWA;
- Allows for the continuing assessment of Minnesota watersheds on a 10-year cycle as expressed in the CWLA;
- Provides for the collection of critical water quality data for Minnesota's water resources that will inform policy and resource allocation decisions;
- Continues to direct resources and accelerates the development of watershed restoration and protection strategies for restoring and protecting waters to meet and maintain state water quality standards;
- Protects groundwater resources by supporting a robust county-inspection and corrective action program related to subsurface soil treatment systems; and
- Initiates a large restoration project, the clean-up of contaminated sediments in the lower St. Louis River and Duluth harbor; thus, protecting this vital drinking water source and natural resource.

The MPCA's request for \$28,040 million in FY 2012 and \$24,625 million in FY 2013 from the Clean Water Fund includes the following components:

- \$7.5 million in FY 2012 and \$7.5 million in FY 2013 for surface water assessment and monitoring;
- \$9.5 million in FY2012 and \$9.6 million in FY 2013 for watershed restoration and protection strategy development (including TMDLs);
- \$2.0 million over the two years for continued development of an enhanced database to manage and track progress on watershed strategy and TMDL development;
- \$300,000 over the two years for Civic Engagement technical assistance;
- \$3.75 million in FY 2012 and \$3.75 million in FY 2013 for protecting groundwater through enhancing the local delivery system of county inspection and corrective action regarding subsurface soil treatment systems;
- \$1.125 million in FY 2012 and \$1.125 million in FY 2013 for groundwater assessment as an essential element of drinking water protection;
- \$750,000 in FY 2012 and \$750,000 in FY 2013 to leverage available non-state dollars (at least \$3 million additional) for a large scale restoration project, the clean-up of contaminated sediments (e.g., PCBs, dioxin, mercury) in the lower St. Louis River and Duluth harbor;
- \$2.5 million in FY 2012 for the Clean Water Partnership program;
- \$825,000 over the two years for stormwater research and guidance development; and
- \$940,000 in FY 2012 and \$750,000 in FY 2013 for National Pollutant Discharge Elimination System (NPDES)/stormwater and wastewater TMDL implementation activities.

Key Goals and Measures

This change item will result in continued progress toward the statewide assessment of Minnesota's lakes, rivers, and streams, and development of TMDLs, which are key goals of M.S. 114D, the Clean Water Legacy Act.

Water quality assessment key measures and outcomes:

- Increase the cumulative number of watersheds intensively monitored for biological integrity and water chemistry from 30% to 52%, thereby keeping pace with the 10-year cycle;
- Continue operation of the major watershed load monitoring network determining water quality conditions at the mouths of the state's major watersheds;
- Provide grants to local units of government and volunteers for stream and lake monitoring;
- Continue monitoring surface waters for contaminants of emerging concern (including endocrine disrupting compounds) to establish a baseline for identifying trends over time;
- Continue to enhance groundwater ambient monitoring network, including chemicals of emerging concern analysis; and
- Completion of 4-5 groundwater models each year for TMDL and watershed plans.

Key measures for TMDL report development:

- Support completion of watershed protection and restoration strategies for 30% of the 81 major watersheds;
- Meet the 2012-13 EPA targets of an estimated 100 more impairments addressed by TMDL reports;
- Research completed by university and college partners to understand effectiveness of restoration activities;
- Leverage resources and build local capacity by passing through over half of the funding designated for TMDL development and studies;
- Leverage federal resources to restore a significant natural resource and drinking water source (i.e., St. Louis River and Lake Superior's Duluth harbor); and
- Manage data to ensure transparency and usefulness to track projected outcomes.

Key measures for TMDL Implementation:

- Issue and enforce NPDES permits that require TMDL load reductions through effluent limits or best management practices (BMPs);
- Develop watershed permitting strategies to match with the watershed approach for TMDLs and protection strategies;
- 117 municipal and industrial permit actions will be taken to implement TMDL wasteload allocations through FY2013;
- Municipal stormwater permittees will address approximately 2,400 wasteload Allocations arising from 45 TMDL reports approved or scheduled to be completed in FY2011;
- Enhance aging guidance on selection, installation, and maintenance of BMPs needed to meet requirements for sediment and erosion control and for permanent stormwater management; and
- Develop BMPs and crediting for road/highway projects; urban landscape management (trees/turf); expansion of minimal impact design site credits and calculators for municipality-wide crediting; and the reuse of harvested stormwater.

Key measures for Groundwater Protection:

- Develop and implement a statewide inventory and inspection program for subsurface soil treatment systems (SSTS);
- Support county efforts to find and fix imminent health threat systems and failing to protect groundwater systems; and
- Complete SSTS rulemaking by April 4, 2011, and adoption of the new rules by County Ordinance by February 4, 2012.

Statutory Change: None required.

POLLUTION CONTROL AGENCY

Program: WATER

Change Item: Wastewater Certification and Exam

Fiscal Impact (\$000s)	FY 2012	FY 2013	FY 2014	FY 2015
State Gov Special Revenue Fund				
Expenditures	\$27	\$27	\$27	\$27
Revenues	27	27	27	27
Net Fiscal Impact	\$0	\$0	\$0	\$0

Recommendation

The Governor recommends an increase of \$27,000 in FY 2012 and \$27,000 in FY 2013 in the appropriation to the Water Program from the state government special revenue fund (Fund 170). The increased appropriation will cover the MPCA's costs to administer an examination and certify the qualifications of wastewater treatment operators at facilities around the state.

Rationale

The goal of the Wastewater Operator Training and Certification program is to protect public health and the environment. One dimension of meeting this goal is ensuring the competency and qualifications of wastewater treatment operators to run the public facilities that properly treat sewage. Under the provisions of M.S. 116.41 the MPCA is required to certify the credentials of sewage treatment plant operators. The Water Program has developed the curriculum for the wastewater operator certification program, including the necessary training, an examination to test the competence of applicants, and certification.

Under M.S. 115.77 the MPCA has the authority to charge fees for the wastewater training and certification program. The language under M.S. 116.641, subd 2, directs the MPCA to set fees to cover the program costs of the training, examination and certification. Currently, the fee for the wastewater operator exam is \$32 and the certification fee is \$23. The MPCA intends to increase the exam fee to \$55 and the certification fee to \$45.

Key Measures

To meet the statutory directive by setting the wastewater program fees to cover the costs of delivering the training, examination and certification. From the perspective of environmental protection, to ensure the competence of the wastewater facility operators, which in turn results in the successful operation of wastewater facilities.

Statutory Change: None required.

POLLUTION CONTROL AGENCY

Program: **WATER**

Change Item: Wild Rice Sulfate Toxicity Testing

Fiscal Impact (\$000s)	FY 2012	FY 2013	FY 2014	FY 2015
General Fund				
Expenditures	\$1,500	0	0	0
Revenues	0	0	0	0
Other Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$1,500	0	0	0

Recommendation

The Governor recommends an appropriation to the MPCA from the general fund in the amount of \$1.5 million to complete wild rice plant toxicity studies to inform a potential revision to the existing Minnesota sulfate standard and identify other standards that may need to be developed or adjusted to address wild rice plant toxicity. The existing standard was established in 1973 and has come under increased questioning as to whether the current science would support the existing 10 milligram per liter sulfate standard. Stakeholders on both sides of the issue have asked that the MPCA review and clarify the appropriateness of the standard. The requested appropriation is for one time funding.

Rationale

The current 10 milligram per liter sulfate standard was adopted into Minnesota Rules in 1973 to protect "water used for production of wild rice during periods when the rice may be susceptible to damage by high sulfate levels" (Minn. R. 7050.0224, subp. 2). According to public hearing testimony during the adoption of this standard, it was intended to apply to waters with natural wild rice stands and waters used for paddy wild rice production. Recent implementation of the standard has become more high-profile, contentious and open to varied interpretation. The MPCA desires to clarify current and future implementation of the wild rice sulfate water quality standard.

Based on a review of available studies and information, the MPCA believes that additional wild rice plant toxicity studies are needed before a revision to the numeric sulfate standard may be considered. The MPCA is working cooperatively with U.S. Environmental Protection Agency toxicologists, Minnesota Department of Natural Resources and Tribal wild rice/plant specialists, and other researchers to establish a plant toxicity testing protocol to investigate the effects of sulfate and other variables on wild rice. The MPCA will consult with and consider recommendations from interested parties before finalizing the testing protocol by June 30, 2011. However, funding is needed to undertake the necessary toxicity studies once the protocol is completed.

Key Goals and Measures

- The MPCA will clarify the definition of "water used for production of wild rice" during the current triennial standard review, which is expected to be complete by summer 2012.
- The MPCA will conduct a field (ambient) study of water quality and sediment chemistry associated with existing natural wild rice stands, beginning in the summer of 2011.
- The MPCA studies will evaluate the toxicity of sulfate to wild rice across the full life-cycle of the plant, including investigating the multiple mechanisms by which elevated sulfate or other variables might result in reduced populations of wild rice in Minnesota surface waters.
- The MPCA would assemble and support a stakeholder group to ensure communication amongst interested parties is maintained.
- The MPCA will consult with the Tribal Community with regard to the testing protocol, testing efforts, and results from the studies.
- The MPCA will undertake rulemaking upon completion of the toxicity testing to adjust the sulfate standard, based on the results of the two-year study funded by this initiative.

Statutory Change: Not Applicable.

Program at a Glance

- Monitor surface water quality on a watershed basis, including citizen monitoring.
- Monitor groundwater quality and prepare trend analysis.
- Develop water quality standards.
- Provide municipal and industrial wastewater permitting inspections, and enforcement.
- Stormwater program development, permitting, compliance determination, and enforcement.
- Write permits, conduct inspections, and enforce regulations related to feedlots.
- Implement new and developing federal regulatory programs such as ballast permitting and the new pesticide permit program under the National Pollutant Discharge and Elimination System (NPDES)
- Regulate Subsurface Sewage Treatment Systems (SSTS).
- Provide grants through Clean Water Partnership, Clean Water Legacy, and federal Clean Water Act Section 319 grants to local units of government to improve water quality,
- Develop watershed restoration and protection strategies for all the state's major watersheds.

Program Description

The MPCA Water Program protects and improves Minnesota's rivers, lakes, wetlands, and ground water so they support human health, rich and diverse populations of aquatic life, and recreational opportunities. The MPCA receives its authority through state statute and delegation of the federal Clean Water Act (CWA) from the U.S. Environmental Protection Agency.

The MPCA establishes designated uses for each water body, such as swimming, drinking, and fishing; sets water quality standards for the pollutants that impact the designated uses; and monitors these waters to determine if they meet standards.

The MPCA evaluates the condition of the state's water resources and uses that information to develop plans to restore waters identified as impaired and to protect those that are unimpaired. This is accomplished by regulating municipal and industrial discharges and septic systems, controlling stormwater runoff, regulating feedlots and land application of manure, working with farmers to reduce pollution from farming operations, and monitoring and assessing water quality to inform social, financial, technical, and environmental management decisions.

The MPCA and our partners are on track to monitor the water quality of 100% of the state's major watersheds on a

10-year cycle. Lake monitoring focuses on the state's larger recreational lakes, and is on track to monitor 100% of lakes 500 acres and larger and at least half of the lakes between 100 and 500 acres. Watershed outlet river monitoring is conducted through the MPCA's Major Watershed Load Monitoring (MWLM) network, in partnership with other agencies. The MWLM network will include monitoring data, computed pollutant loads, and trends for water quality at 82 river sites across the State. Baseline data will be assembled in late 2010. Ongoing biological and chemical monitoring is also being conducted in all of the State's major watersheds on a 10-year cycle. Using the watershed monitoring and analysis, watershed protection and restoration strategies will be developed and implemented for the 81 major watersheds across the state.

The strategic goals for the Water Program are:

- Assessing the condition of Minnesota's groundwater systems and providing information on the effectiveness of best management practices in preventing and reducing degradation of groundwater and supporting groundwater conservation.
- Assessing the chemical, physical and biological integrity of Minnesota's lakes, streams and wetlands to identify if designated uses are being met, and providing information on the condition of waters.
- Protecting and improving the chemical, physical and biological integrity of Minnesota's lakes, streams and wetlands.
- Achieving excellence through appropriate application of tools and best practices.
- Providing a reliable information management system that supports the agency and its partners in effective and efficient environmental work.
- Maintaining its capacity to recognize and address emerging issues that fall within the agency's authority.

Population Served

This Program serves all citizens of the state by protecting Minnesota's lakes, streams, wetlands, and groundwater from many kinds of pollution. The goal is to maintain the ability of Minnesotans and visitors to drink, fish, and recreate in Minnesota's abundant water resources. The MPCA works closely with several entities by:

- Regulating a large and diverse array of business and municipal activities in Minnesota;

- Providing grants and loans to local units of government to address pollution problems such as stormwater and feedlot runoff, and failing septic systems;
- Supporting watershed management groups who receive financial and technical assistance from MPCA, and
- Providing information regarding water quality and quantity in relation to economics, health, and recreation for consideration in decisionmaking.

Services Provided**Monitor/Assess:**

- Monitor watersheds to characterize river, lake, and wetland water quality and identify trends through a combination of state and local projects, remote sensing, and our volunteer monitoring network.
- Assess monitoring data to understand water resource conditions and determine impairment status as required by the CWA.
- Monitor those waters that are not meeting their designated uses to identify the stressor(s) causing the problem.
- Monitor ambient groundwater quality of vulnerable aquifers, to serve as an “early warning system” of pollution problems, working closely with the Minnesota Departments of Agriculture and Health.

Management:

- Establish water quality standards to protect Minnesota's waters, set treatment priorities and discharge limits.
- Issue permits, conduct inspections, and complete enforcement follow-up, as necessary, for 926 industrial and 816 domestic wastewater facilities.
- Implement the stormwater program that includes permitting, technical assistance, inspections, and enforcement for ~240 municipalities, ~1,650 industrial facilities, and 1,500-2,500 construction projects per year.
- The MPCA completed the review, public notice, and approval of detailed stormwater pollution prevention programs from 233 municipal stormwater permittees in 2009.
- The MPCA is also developing Minimal Impact Design Standards, as directed in 2009 legislation, to set performance goals and establish methods to credit the pollutant reductions in urban stormwater runoff.
- Develop and implement a pesticide permit program under the CWA that includes permitting, technical assistance, inspections, and enforcement follow-up as necessary for ~4000 potential permittees, including municipalities, industrial facilities, mosquito control districts, and lake management associations.
- Issue permits, conduct inspections and enforcement for over 1,100 animal feedlots, and in conjunction with county governments administer the program for ~25,000 feedlots registered under state law.
- Develop watershed protection and management strategies for 81 major watersheds. The most recent inventory of impaired waters, currently at EPA for approval, identifies 3,049 impairments affecting 1,636 lakes and streams. Slightly less than 47% of the impairments are attributable to mercury.
- The MPCA assesses waters and lists the impaired waters every two years in accordance with the CWA.
- Complete protection and restoration management plans for watersheds including developing the total maximum daily loading (TMDL) for impaired surface waters. As of August 13, 2010, the MPCA has completed 35 TMDLs addressing 188 conventional impairments that have led to clean-up efforts. The MPCA has additional TMDLs underway to determine the sources of 500 additional impairments. The MPCA approved a TMDL that addresses 998 mercury impairments.
- Issued ~300 ballast water permit for ships entering Minnesota ports from the Great Lakes and co-leading the Great Lakes Ballast Water Collaborative to obtain protective federal ballast water discharge standards.

Protection/Restoration:

- Provide grant and loan funds to clean up pollution from urban and agricultural runoff, individual sewage treatment systems, and feedlot upgrades.
- Develop strategies to address degradation of surface- and ground-waters by upgrading small community wastewater treatment facilities.
- Develop watershed restoration strategies for impaired waters, protection strategies for those waters not impaired, and implement required reductions at NPDES permitted facilities.

Historical Perspective

In the past, the MPCA focused its efforts on regulating industrial and municipal discharges, with a special emphasis on municipal wastewater treatment facilities. At the time, this focus was appropriate because these sources were the largest controllable source of water pollution. Recent emphasis was on gaining new efficiencies, particularly in permitting and enforcement portions of the program and on improved integration with the Minnesota's interagency approach to impaired waters activities. New emphasis is on addressing contaminants of emerging concern and addressing additional pollutant reductions at regulated wastewater and stormwater facilities based on impaired water (TMDL) studies. Another focus is addressing the small unsewered or under-sewered communities, with the priority placed on community straight-pipe discharges.

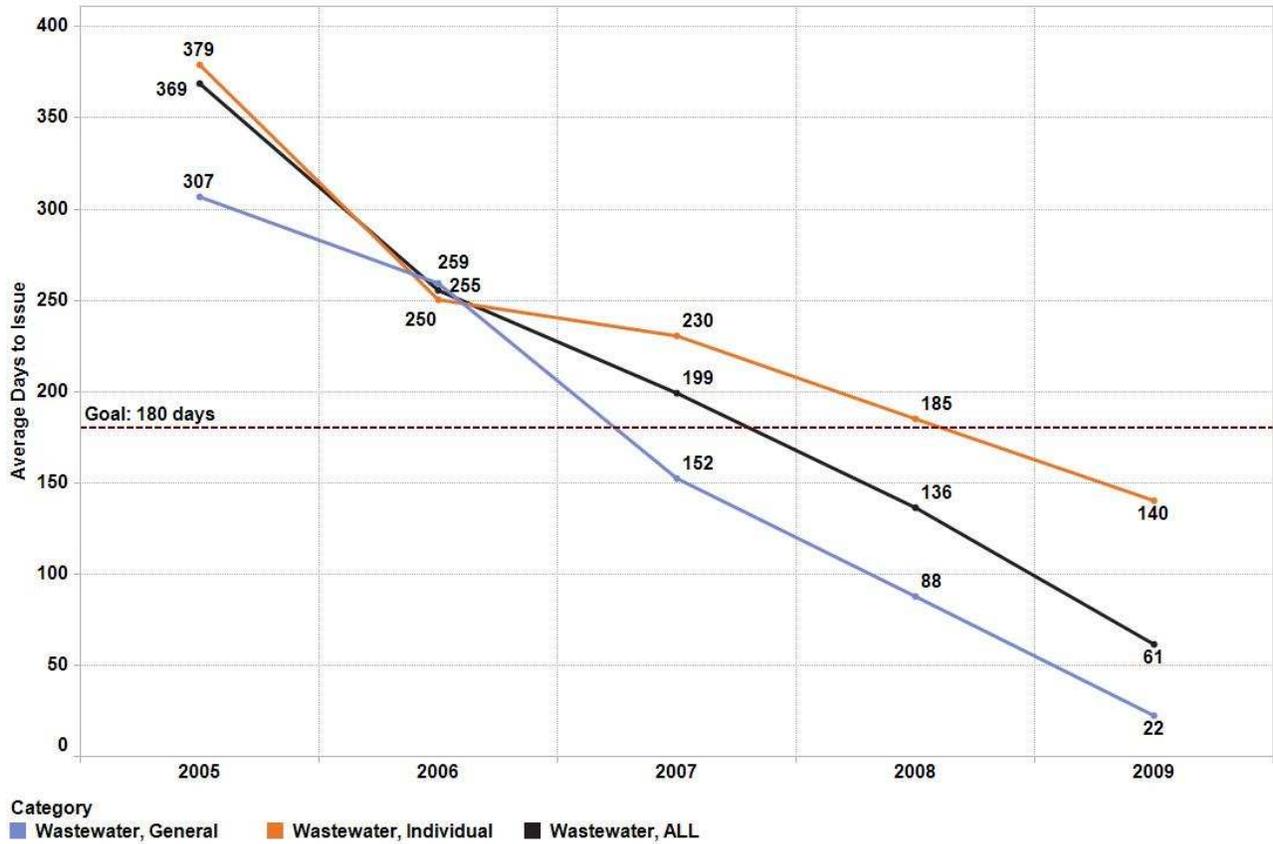
The MPCA continues to address dispersed sources of pollutants, with construction stormwater runoff, agricultural land and drainage systems, individual septic systems, feedlots, and forestry as examples. More emphasis and funding have been directed to these sources of pollutants reaching our waters. Although individual sources are often small, their cumulative impacts may be significant. The emphasis placed on these sources does not replace the work that must continue to be directed at municipal and industrial sources.

The 2010 Industrial Stormwater General Permit requires best management practices and benchmark monitoring for facilities in 29 industrial sectors. Outreach by the MPCA is increasing the number of facilities that apply for permit coverage or no-exposure exclusion above the 1,650 previously regulated facilities.

The Federal Clean Water Act requires states to list impaired waters, and to develop and implement clean-up plans. The 2006 Minnesota Legislature passed the Clean Water Legacy Act and authorized funding for one year. The 2007 Legislature appropriated additional funds for the 2008-09 biennium. The 2009 Legislature appropriated Clean Water funds from the Clean Water, Land, and Legacy Constitutional Amendment of 2008 for the 2010-11 biennium.

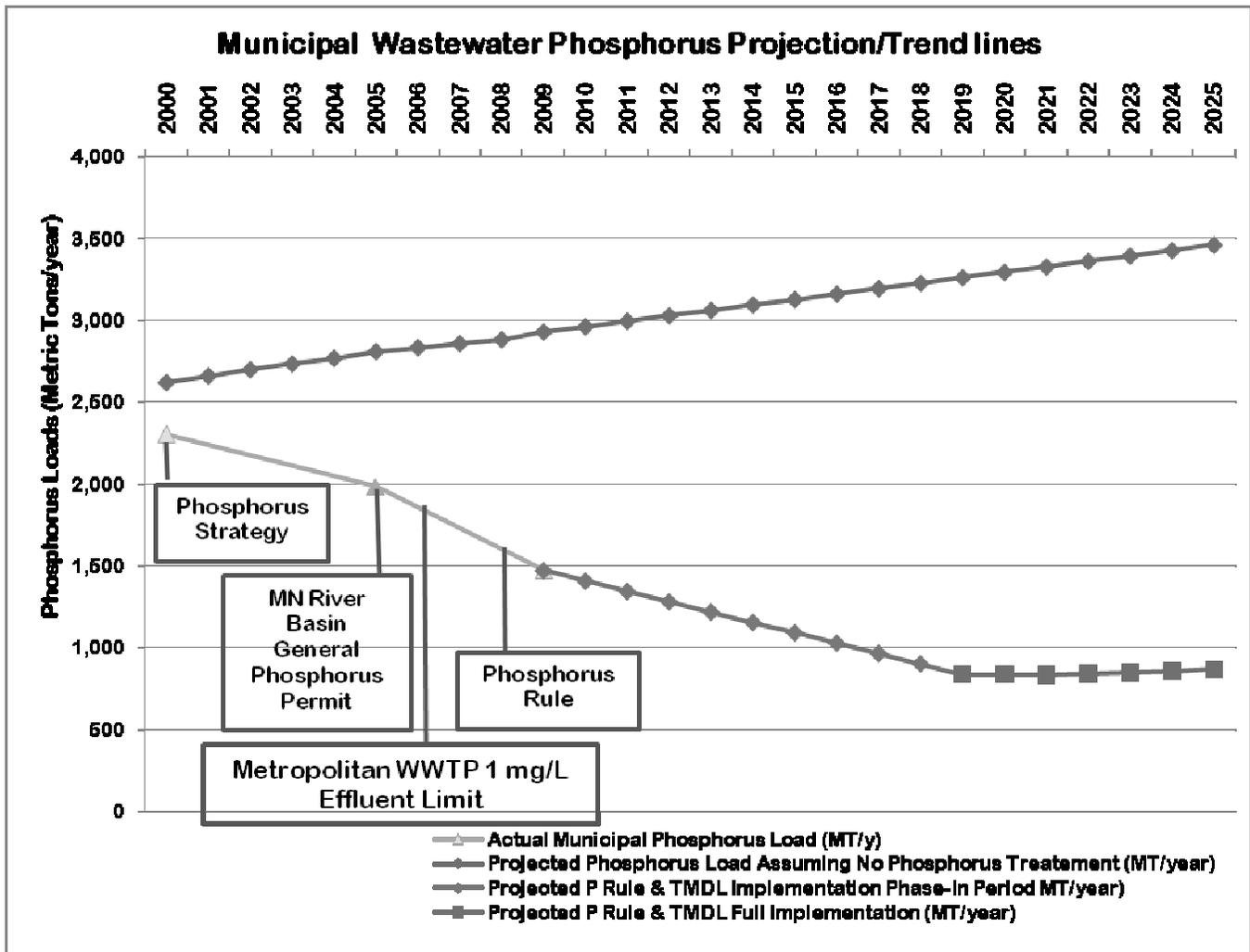
Key Program Goals & Measures

MPCA Permitting, WASTEWATER



* General Permits - Permits that are designed to cover more than one facility; that are similar in design or discharge.

* Individual permits - Permits that are designed to cover a single facility with discharge/emission limits and requirements specific to each facility.



Program Funding

Authorized appropriations for the Water Program in FY2010-11 total \$121.7 million. The funding mix: 36% Clean Water Fund, 30% Environmental Fund, 12% federal, 12% General Fund and 10% other sources.

Contact

For more information, contact Fiscal – Operational Support at (651) 296-6300 or toll-free at (800) 657-3864.

The MPCA website at: <http://www.pca.state.mn.us> provides useful information about Minnesota’s environment. The types of information available through the site include regulatory news and updates, rules, public notices, agency initiatives, and details about environmental quality and current “hot topics.”

POLLUTION CONTROL AGENCY

Program: WATER

Program Summary

<i>Dollars in Thousands</i>					
	Current		Governor Recomm.		Biennium
	FY2010	FY2011	FY2012	FY2013	2012-13
<i>Direct Appropriations by Fund</i>					
Environment & Natural Resource					
Current Appropriation	425	0	0	0	0
Subtotal - Forecast Base	425	0	0	0	0
Total	425	0	0	0	0
General					
Current Appropriation	7,764	6,597	6,597	6,597	13,194
Technical Adjustments					
Biennial Appropriations			21	21	42
One-time Appropriations			(450)	(450)	(900)
Subtotal - Forecast Base	7,764	6,597	6,168	6,168	12,336
Governor's Recommendations					
General Fund Reduction		0	(504)	(504)	(1,008)
Wild Rice Sulfate Toxicity Testing		0	1,500	0	1,500
Total	7,764	6,597	7,164	5,664	12,828
State Government Spec Revenue					
Current Appropriation	48	48	48	48	96
Subtotal - Forecast Base	48	48	48	48	96
Governor's Recommendations					
Wastewater Certification and Exam		0	27	27	54
Total	48	48	75	75	150
Environmental					
Current Appropriation	18,131	18,666	18,666	18,666	37,332
Technical Adjustments					
One-time Appropriations			(50)	(50)	(100)
Subtotal - Forecast Base	18,131	18,666	18,616	18,616	37,232
Total	18,131	18,666	18,616	18,616	37,232
Clean Water					
Current Appropriation	23,976	23,130	23,130	23,130	46,260
Technical Adjustments					
One-time Appropriations			(23,130)	(23,130)	(46,260)
Subtotal - Forecast Base	23,976	23,130	0	0	0
Governor's Recommendations					
Clean Water Funding		0	28,040	24,625	52,665
Total	23,976	23,130	28,040	24,625	52,665

POLLUTION CONTROL AGENCY

Program: WATER

Program Summary

<i>Dollars in Thousands</i>					
	Current		Governor Recomm.		Biennium
	FY2010	FY2011	FY2012	FY2013	2012-13
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	6,908	7,453	7,164	5,664	12,828
State Government Spec Revenue	44	52	75	75	150
Environmental	17,701	17,407	16,520	16,555	33,075
Clean Water	15,407	31,699	28,040	24,625	52,665
Statutory Appropriations					
Environment & Natural Resource	425	0	0	0	0
Clean Water Revolving Fund	8,742	3,516	4,073	4,073	8,146
Miscellaneous Special Revenue	173	51	25	0	25
Federal	4,203	10,176	6,349	5,269	11,618
Federal Stimulus	2,485	960	148	0	148
Environmental	0	7	0	0	0
Total	56,088	71,321	62,394	56,261	118,655
<u>Expenditures by Category</u>					
Total Compensation	22,909	22,162	23,279	22,668	45,947
Other Operating Expenses	16,586	26,456	22,224	19,007	41,231
Local Assistance	7,851	20,173	14,361	12,056	26,417
Other Financial Transactions	8,742	2,530	2,530	2,530	5,060
Total	56,088	71,321	62,394	56,261	118,655
<u>Expenditures by Activity</u>					
Water	56,088	71,321	62,394	56,261	118,655
Total	56,088	71,321	62,394	56,261	118,655
Full-Time Equivalents (FTE)	302.4	285.5	296.7	296.7	

Program at a Glance

- Develops and implements strategies to reduce air pollution from small sources of air pollution, including mobile sources
- Monitors air quality, tracks the Air Quality Index (AQI)
- Develops and implements ozone and particulate matter reduction efforts
- Develops and implements strategies to reduce regional and global air pollutants such as mercury, regional haze and emissions that contribute to climate change
- Implements air quality point source permitting, compliance determination, and enforcement
- Issues air emission permits to over 4,000 facilities in the state (350 are major source federal permits)

Program Description

The state's air quality is affected by pollution from transportation, energy production, manufacturing, and other activities. Clean and clear air, however, is essential for Minnesota's environmental, social, and economic well-being and is also required by state and federal law. The federal Clean Air Act (CAA) is the national environmental framework for these requirements, and it is the foundation of Minnesota's air quality program.

The CAA has necessitated continuing changes to the air program in Minnesota and nationwide through the assessment of air emission fees, new permit and compliance requirements, adoption of more restrictive air quality standards and activities to control emissions of hazardous air pollutants. The MPCA's major activities in implementing the CAA include tracking emissions from point, area and mobile sources of pollution; monitoring the ambient air around the state; and issuing and tracking compliance with air emission permits. In addition, the CAA

amendments created programs to focus on small sources and vehicles that contribute significantly to air problems.

In the past decade, the EPA has delegated additional programs to the MPCA. For example, the MPCA has developed strategies for reducing regional haze and fine particulate matter. The MPCA is implementing new initiatives to reduce emissions of mercury, a pollutant of particular concern regarding human health and the environment. When released to the air, mercury falls onto surface waters and accumulates in fish tissue, resulting in fish consumption advisories for many Minnesota lakes and streams. As a national leader in mercury reductions, Minnesota lawmakers and the Governor enacted legislation in 2007 that further banned the use of mercury-containing products to restrict mercury from the environment. The MPCA completed a plan to achieve mercury emission reductions from a variety of sources, which includes including improved mercury emission reporting and addressing mercury emissions from new or expanding sources.

EPA has recently adopted or proposed a variety of new ambient air quality standards aimed at better protection of public health. Implementation of these standards will require new and significant efforts on the part of the MPCA, including monitoring, planning, environmental review and permitting.

Finally, policymakers, scientists and citizens are evaluating the impacts of climate change on the Minnesota environment and economy. Greenhouse gas policy and regulation has evolved rapidly over the past 2 years. In 2009, the EPA created a greenhouse gas reporting rule that applied to larger emitters of greenhouse gases. The Minnesota Legislature also passed a law requiring the MPCA to collect greenhouse gas emissions from facilities with a federal air quality permit and larger sources in Minnesota. In 2010, EPA finalized the Greenhouse Gas Tailoring rule, which will ultimately regulate greenhouse gasses under the CAA and require permitting for some facilities beginning in 2011. In accordance with federal mandates, the MPCA has initiated exempt rulemaking to ensure state thresholds for GHGs are in alignment with federal regulations.

The MPCA's strategic goals for the air program are:

- Ensure Minnesota's outdoor air will meet or improve upon all environmental and human health-related federal and state ambient air quality standards.
- Ensure Minnesota's outdoor air quality will meet environmental and human health benchmarks for toxic and other air pollutants.
- Ensure Minnesota reduces its contribution to regional, national and global air pollution.
- MPCA leads the way to minimize its environmental footprint and assist other public entities to do the same.

Population Served

The Air Program serves all citizens and industrial operations of the state to facilitate protection of public health, the environment, and welfare through regulatory programs that provide standards for the operation of industries, utilities, and transportation systems that contribute to the social and economic well being of the state.

As a result of their daily activities, citizens are responsible for large amounts of air pollution. About half of most air pollutants in Minnesota are emitted from mobile sources, which include automobiles, trucks, buses, recreational and lawn equipment. More information about air quality in Minnesota is available on the MPCA website at <http://www.pca.state.mn.us/air/index.html>.

The Air Program also regulates industrial sources of air pollution. Many facilities necessitate minor source or registration permits from the state, while larger industries may need major source federal air permits. The MPCA issues joint federal and state permits to these larger facilities. As the new federal Greenhouse Gas tailoring rule is implemented, the MPCA anticipates that approximately 200 additional facilities will need air permits and that approximately 15-25 of those will need major source permits.

Services Provided**Assessment:**

- Monitor for the air quality index and compliance with ambient air quality standards using 140 monitors located in 54 sites statewide.
- Monitor for compliance with air permits at seven sites and provide assistance at four sites.
- Monitor for toxic air pollutants at 20 locations.
- Develop annual emission inventories for 2,300 companies.
- Conduct air emission risk analysis for about 20 point sources each year.

Management:

- Issue federal and state air quality operating permits.
- Issue construction and operating permits for new and expanding facilities.
- Monitor compliance with air quality rules, regulations, and permits.
- Take enforcement action when warranted.
- Maintain daily air quality index for the Twin Cities, Duluth, Rochester, Marshall, Brainerd, Detroit Lakes, Ely and St. Cloud and issue alerts when air quality is expected to exceed health benchmarks.
- Implement 2006 Minnesota Legislation to control utility mercury emissions.
- Implement the Total Maximum Daily Load (TMDL) plan for mercury.
- Implement a process for capping or controlling new sources of mercury.

Restore/Improve:

- Develop state implementation plans for maintaining and improving air quality.
- Reduce emissions of pollutants that contribute to regional haze, ozone, fine particulate matter, and toxic air pollutants.
- Reduce emissions that contribute to greenhouse gases.

Historical

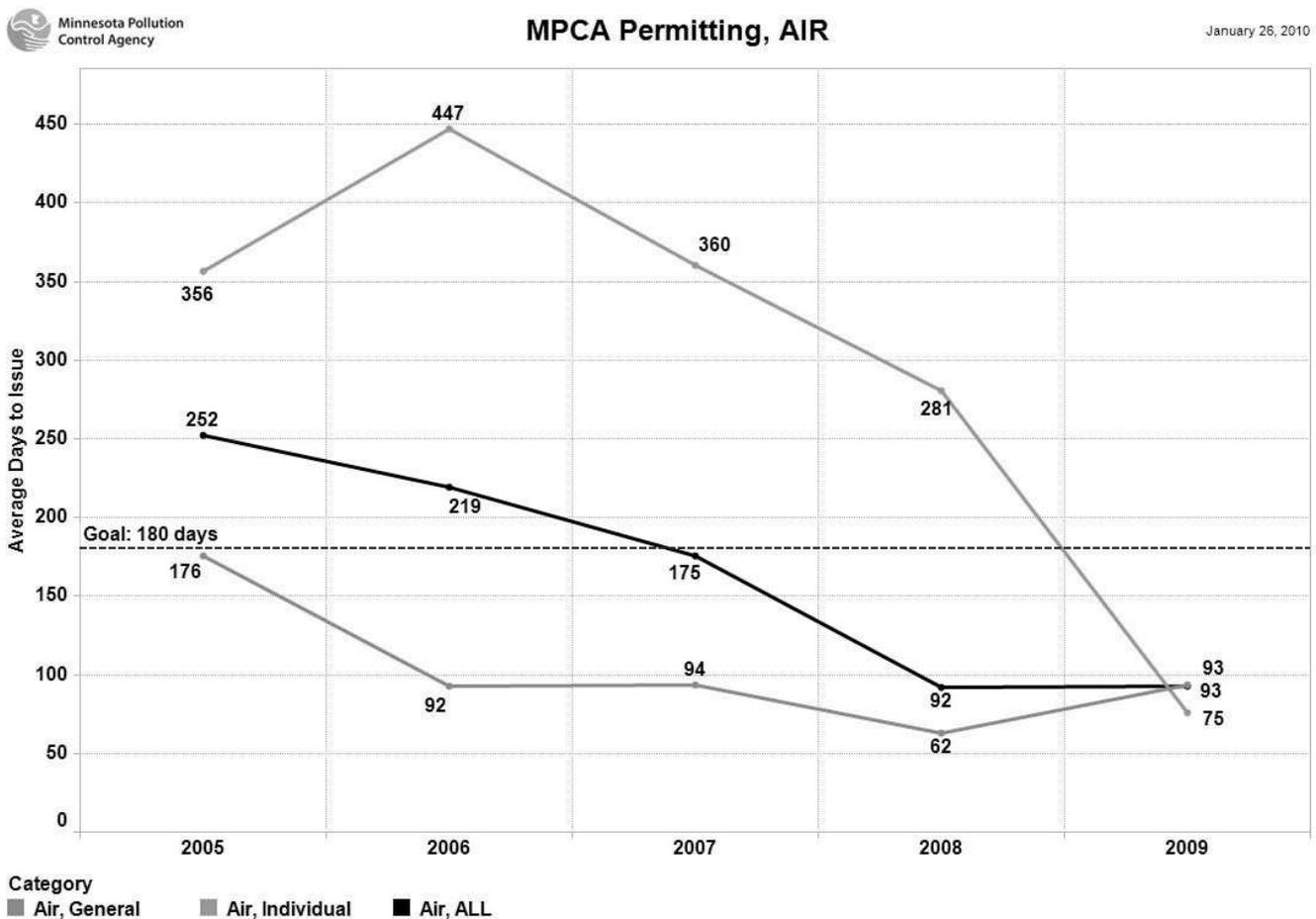
The Clean Air Act, passed in the 1990s, established a national operating permit program known as Title V for large facilities that emit air pollutants. The MPCA issues joint construction and operating permits for existing facility expansions and for new facilities. Permits must be renewed on a 5-year cycle. Detailed rules and regulations, and a more engaged public, have increased the complexity and time required to issue air permits.

Over the past five years, the MPCA has taken considerable efforts to streamline the air permitting process through the use of process improvement tools such as Six Sigma and Lean. Improvements have included the development of standardized forms to minimize application mistakes; the development of external training; and the development of a computerized permit tracking system.

Past efforts by the MPCA and its partners have resulted in emission reductions for many key pollutants and, by most measures, ambient air quality is improving. On the other hand, improving information on how air pollutants impact human health has led to new tighter federal air quality standards for several pollutants. Under the tighter standards, Minnesota air quality is occasionally unhealthy due to elevated ozone (smog) and fine particulate matter. The Twin Cities will likely exceed new federal daily standards for fine particulates and ozone. The MPCA issues air quality alerts when levels exceed health advisory thresholds. Daily air quality readings are available on the MPCA website at <http://aqi.pca.state.mn.us/hourly/>.

Key Program Goals & Measures

Figure 1 below shows the average time to issue air permits over a five year period. Figures 2 shows trends in key air pollutants in the Twin Cities area.



* General Permits - Permits that are designed to cover more than one facility; that are similar in design or discharge.
 * Individual permits - Permits that are designed to cover a single facility with discharge/emission limits and requirements specific to each facility.

Figure 1

Trends in Key Air Pollutants in the Twin Cities Metro Area:1979-2009

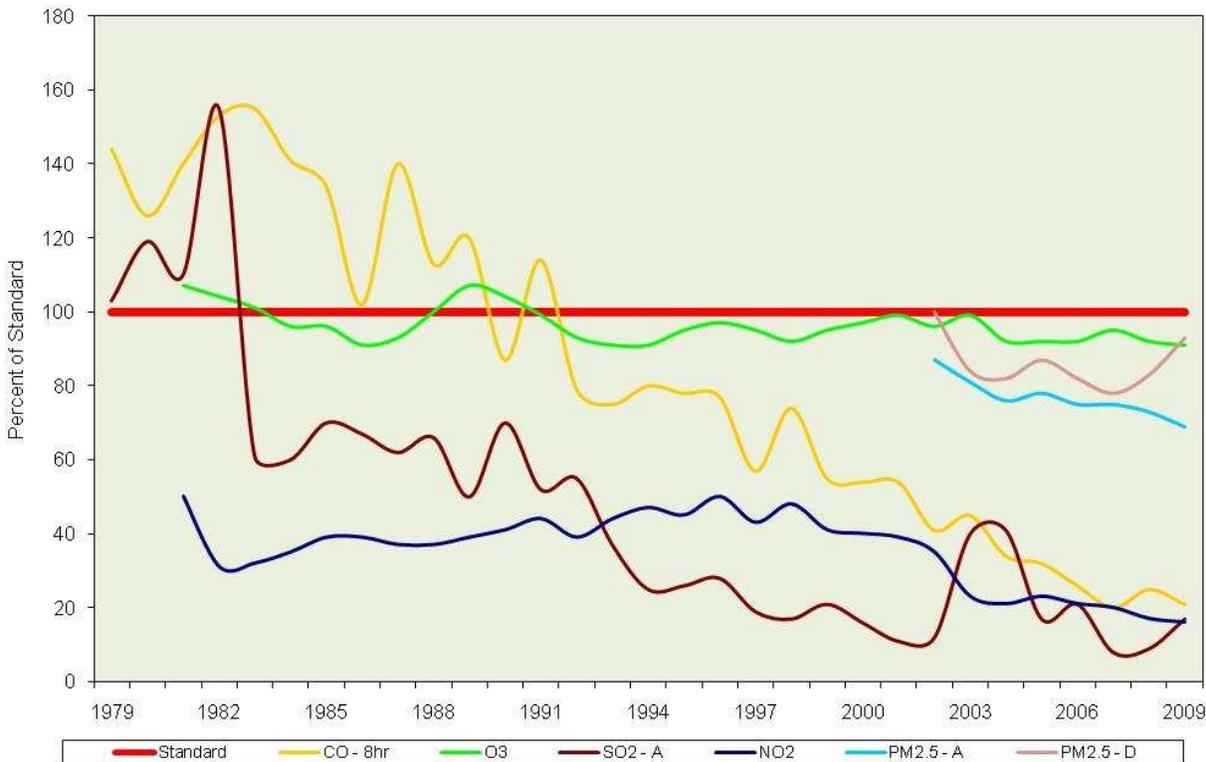


Figure 2

Program Funding

Authorized appropriations in FY2010-11 for the MPCA’s Air program totaled \$28.7 million. The mix of funding: 86% Environmental Fund, 10% federal and 4% other sources.

Contact

For more information, contact Fiscal – Operational Support at (651) 296-6300 or toll-free at (800) 657-3864.

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For information on how MPCA measures some of its efforts to meet statewide goals, please visit <http://www.departmentresults.state.mn.us>.

POLLUTION CONTROL AGENCY

Program: AIR

Program Summary

<i>Dollars in Thousands</i>					
	Current		Governor Recomm.		Biennium 2012-13
	FY2010	FY2011	FY2012	FY2013	
<u>Direct Appropriations by Fund</u>					
Environmental					
Current Appropriation	11,871	12,131	12,131	12,131	24,262
Subtotal - Forecast Base	11,871	12,131	12,131	12,131	24,262
Governor's Recommendations					
Air Appropriation Increased		0	166	335	501
Total	11,871	12,131	12,297	12,466	24,763
<u>Expenditures by Fund</u>					
Direct Appropriations					
Environmental	11,133	11,612	11,708	11,862	23,570
Statutory Appropriations					
Miscellaneous Special Revenue	457	755	161	161	322
Federal	1,377	1,552	1,552	1,552	3,104
Environmental	4	75	100	217	317
Total	12,971	13,994	13,521	13,792	27,313
<u>Expenditures by Category</u>					
Total Compensation	8,835	8,629	8,670	9,023	17,693
Other Operating Expenses	4,132	5,292	4,753	4,554	9,307
Other Financial Transactions	4	73	98	215	313
Total	12,971	13,994	13,521	13,792	27,313
<u>Expenditures by Activity</u>					
Air	12,971	13,994	13,521	13,792	27,313
Total	12,971	13,994	13,521	13,792	27,313
Full-Time Equivalents (FTE)	112.3	110.7	108.5	108.5	

Program at a Glance

- Permitting
 - 21 Mixed Municipal Solid Waste (MMSW) landfills
 - 23 industrial solid waste landfills
 - 95 demolition debris landfills
 - 7 MMSW combustor ash landfills
 - 11 solid waste composting facilities
 - 123 transfer stations
 - 23 hazardous waste facilities
 - 243 hazardous waste large quantity generators
 - 90 large petroleum storage tank facilities (> 1M gallons)
- 2000 Petroleum tank inspections/year
- Investigations and Cleanups at contaminated sites
 - 95 active superfund sites
 - 1100 active petroleum release sites
 - 400 brownfield voluntary cleanup actions/year
 - 2500 emergency responses to pollutant spills/year
- Remediation construction projects and maintenance at 112 closed landfills
- Waste-as-a-Resource
 - Recycling 41% of the state's solid waste
 - Burning 19% of solid waste for energy
 - Contributing \$2.98 billion to the state's economy

Program Description

The MPCA's Land Program protects the environment, public health, and quality of life of all citizens through the proper management of solid waste, and hazardous materials and waste; by encouraging waste utilization through reduction, recycling, and reuse; and by effectively and efficiently managing the risks at contaminated sites through site cleanup and the restoration of contaminated land to productive use.

Through a combination of federal mandates and state initiatives, the Land Program has undergone significant changes over time to adequately address waste management issues and conserve resources. The Program's integrated system of activities continues to evolve to ensure that hazardous materials, petroleum products, and solid wastes are managed properly throughout the life-cycle of their use, transport, recovery, and disposal.

Because of the connection between the land, surface water and groundwater, the Land Program also plays an important role in protecting the state's surface water and groundwater resources.

Population Served

The Land Program serves all the citizens of the state. The MPCA works directly with a large and diverse array of Minnesota businesses and industries. These consist of any facility or entity that creates, treats, stores, uses, manages, or disposes of solid or hazardous wastes or petroleum products. An important aspect of this program is managing

waste-as-a-resource because of the substantial bottom line benefits.

Services Provided

Assessment:

- License hazardous waste handlers and monitor hazardous waste via a computerized system developed in cooperation with the seven-county metropolitan counties.
- Develop with local government waste management partners a solid waste policy report every two years that summarizes the current status of solid waste management.

Management:

- Achieve Minnesota Climate Change Advisory Group (MCCAG) goals and Green House Gas (GHG) reductions through integrated solid waste management (ISWM) activities in the most densely populated areas of the state.
- MPCA must devote increased staff time on the project management of sites that are now the responsibility of the Petroleum Remediation Program (PRP) program. The number of these sites has also increased because responsible parties are unwilling or unable to do the cleanup.
- Distribute grant funds to counties to operate recycling and waste reduction programs and to manage programs for problem materials and household hazardous wastes.
- The preparation of land use plans becomes more urgent as communities seek information to ensure responsible development occurs near closed landfills. Opportunities are also emerging for developing productive uses of the landfill itself, including renewable energy production.

- Partner with counties, businesses, and industries to reduce waste generation, improve the cost effectiveness of recycling, composting and recovery systems, and build stronger regional waste management systems.
- Conduct regulatory and training programs to prevent the release of petroleum, solid waste, and hazardous waste into Minnesota's soil, groundwater, and surface water.
- Issue permits to and inspect solid waste, hazardous waste, and large above ground storage tank facilities, and complete follow-up to ensure compliance as necessary.
- Oversee disposal of debris from natural and man-made disasters.

Restoration/Improvement:

- Oversee investigations and corrective actions conducted at contaminated sites by responsible parties; or perform these activities on behalf of the state using contractors when responsible parties do not exist or are unable or unwilling to do such work themselves. Recover costs from responsible parties when possible, reasonable, and appropriate.
- Assist developers in returning contaminated sites to productive use through its Brownfield Programs.
- Retain contractors to conduct cleanups at 112 closed landfills.
- Maintain/manage post-closure care at closed landfill sites.
- Assist industry and local fire and police to develop response action plans focused on preventing spills, supports local fire and police when spills threaten public safety, oversees the cleanups done by spillers, and does direct cleanups when spillers fail to clean up their spills.
- Utilize funding awarded under the American Recovery and Reinvestment Act of 2009 to accelerate storage tank site investigations and cleanups.

Historical Perspective

In the past, thousands of locations across the state posed acute or potential risks to human health, land, groundwater, and surface water due to spilling, dumping, or poor management of wastes and petroleum products. The U.S. Congress and the Minnesota Legislature provided legal authorities to the MPCA to ensure risks to the environment and citizens were eliminated or controlled, and established a philosophy to reduce the amount and toxicity of waste and recover materials and energy to reduce dependence on waste disposal facilities.

The Closed Landfill program activity continues to plan for project construction and on-going maintenance at the 112 closed landfills, sites that are the state's responsibility. In addition, the MPCA is directed by statute to prepare a land use plan for the closed landfill sites.

Key Program Goals & Measures

A vision for Land Program has been guided by the MPCA's strategic plan, with three primary goals:

- Ensure solid waste is managed to conserve materials, resources, and energy;
- Minimize or reduce the release of contaminants to or from the land; and
- Restore land to productive use by managing risk from contaminated sites.

The Land Program also assists in:

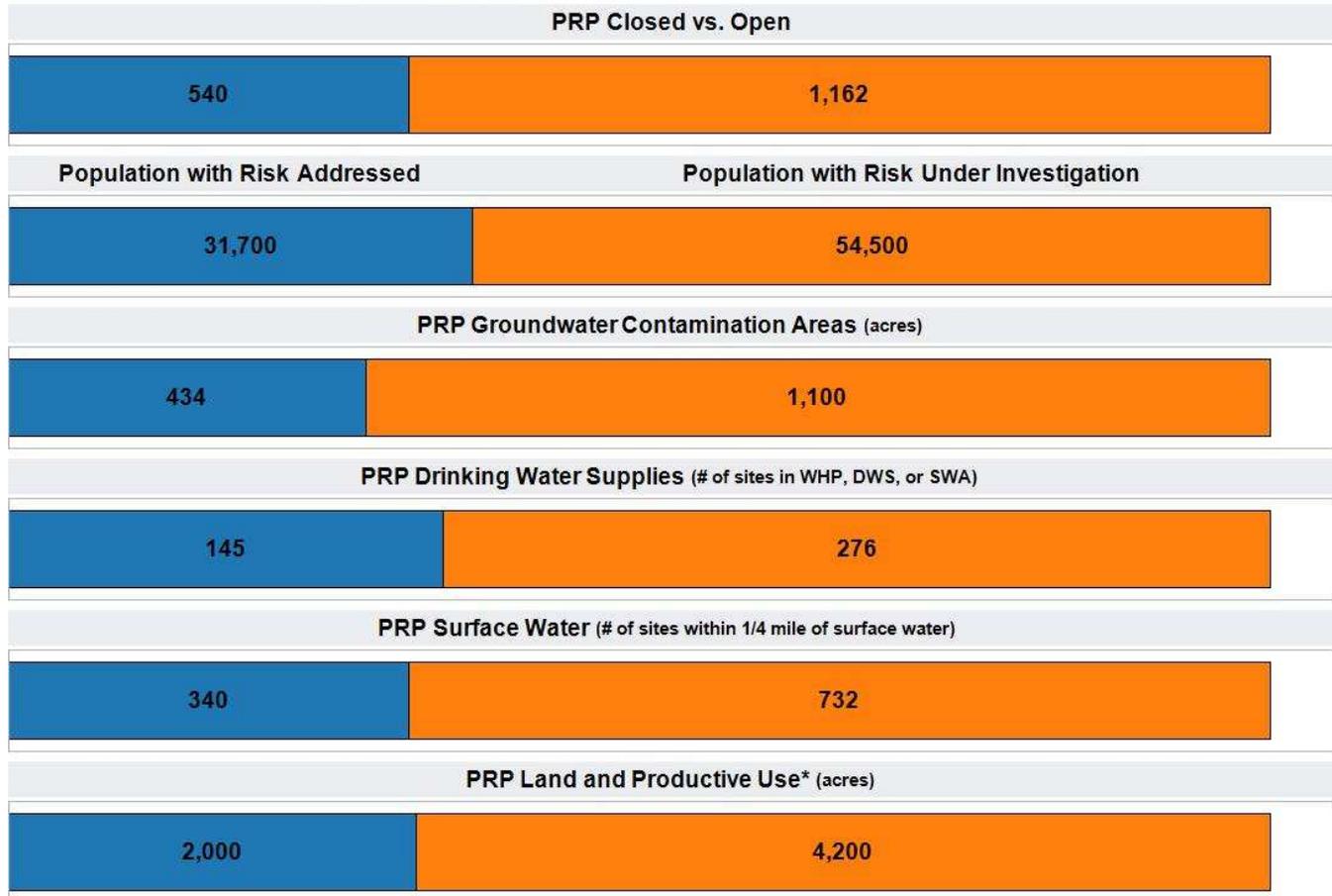
- Assessing the condition of Minnesota's groundwater systems;
- Preventing or reducing the degradation and depletion of groundwater;
- Reducing Minnesota's contribution to regional air pollution; and
- Utilizing and demonstrating green remediation.

The MPCA's Petroleum Remediation Program (PRP) has reduced the number of active sites from over 2,900 in 2000 to less than 1,100 in 2010. Site investigations and closures result in reduction of risk to the population in the vicinity of these sites, protection of drinking water supplies, reduction of risk to groundwater and surface water, and return of contaminated land to the highest value and most productive use. Much of this work was done cooperatively with responsible parties who follow MPCA's site cleanup guidance to secure reimbursement through the state Petroleum Fund. The MPCA's PRP is now responsible for cleanup at an increasing number of sites because responsible parties are unwilling or unable to do the cleanup. The number of these fund-financed sites has increased from approximately zero in 2000 to over 200 in 2010. Funding from the Petroleum Tank Fund for this program ends 6/30/2012.

Key environmental outcomes reported at the end of FY 2010 are displayed below for the PRP, using the reference framework of sites where the completion of investigation and cleanup activities resulted in regulatory file closure (closed sites) and sites where activities were still ongoing at the end of the FY (open sites).

Goal: L.3 Restore land to productive use by managing risk from contaminated sites.

SiteType ■ Closed (no longer at risk) ■ Open (at risk)

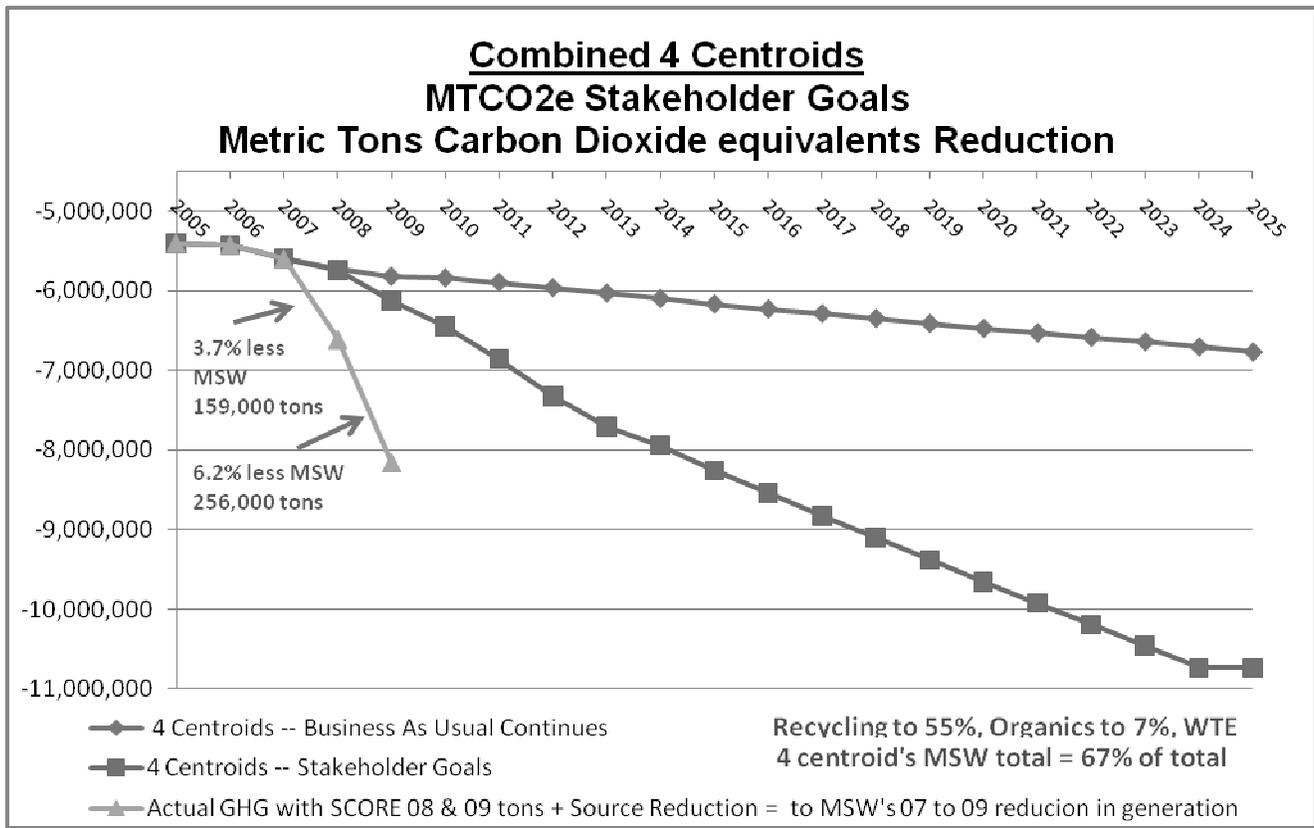


* Closed sites represent where Site Acreage was returned to productive use. Open sites represent where Productive Use had been Precluded.

The goal of the MPCA’s ISWM activities are to achieve a total reduction of 75 million metric tons of GHG attributed to changes in waste generation, materials conservation, and resource management practices by January 2025. Municipal solid waste (MSW) waste disposal is down by 10 percent. Generators are buying less; manufacturers are using fewer resources. Source reduction has the greatest impact on GHG reduction. Because we are producing less waste, we are also producing less GHG. This decrease is not sustainable because it’s tied to the general economic downturn.

A key focus of ISWM activities is on four centroids, where 70 percent of the state’s MSW is generated:

- 1) Metro centroid – Metro Solid Waste Policy Plan; Governance
- 2) Duluth, Rochester, St. Cloud centroids – Project Development (recycling, composting)



Program Funding

Authorized appropriations in FY2010-11 for the Land Program total \$109.4 million. The mix of funding: 70% Remediation Fund, 13% Environmental Fund, 11% federal and 6% other sources.

Contact

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POLLUTION CONTROL AGENCY

Program: LAND

Program Summary

<i>Dollars in Thousands</i>					
	Current		Governor Recomm.		Biennium
	FY2010	FY2011	FY2012	FY2013	2012-13
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	465	435	435	435	870
Subtotal - Forecast Base	465	435	435	435	870
Total	465	435	435	435	870
Environmental					
Current Appropriation	6,916	6,916	6,916	6,916	13,832
Subtotal - Forecast Base	6,916	6,916	6,916	6,916	13,832
Total	6,916	6,916	6,916	6,916	13,832
Remediation Fund					
Current Appropriation	11,086	11,086	11,086	7,470	18,556
Subtotal - Forecast Base	11,086	11,086	11,086	7,470	18,556
Governor's Recommendations					
VIC Appropriation Reduction		0	(590)	(590)	(1,180)
Petroleum Remediation Program		0	0	3,616	3,616
Total	11,086	11,086	10,496	10,496	20,992
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	0	0	435	435	870
Environmental	6,818	6,715	6,693	6,689	13,382
Remediation Fund	9,234	10,507	10,378	10,377	20,755
Statutory Appropriations					
Miscellaneous Special Revenue	750	779	463	463	926
Federal	3,803	4,050	3,939	3,776	7,715
Federal Stimulus	1,716	2,540	500	0	500
Remediation Fund	27,578	31,402	22,698	23,217	45,915
Gift	1,725	1,054	0	0	0
Total	51,624	57,047	45,106	44,957	90,063
<u>Expenditures by Category</u>					
Total Compensation	15,359	15,686	15,049	12,156	27,205
Other Operating Expenses	35,858	39,561	29,070	22,398	51,468
Capital Outlay & Real Property	46	0	0	0	0
Local Assistance	361	1,800	300	300	600
Transfers	0	0	687	10,103	10,790
Total	51,624	57,047	45,106	44,957	90,063
<u>Expenditures by Activity</u>					
Land	51,624	57,047	45,106	44,957	90,063
Total	51,624	57,047	45,106	44,957	90,063
<u>Full-Time Equivalents (FTE)</u>					
	188.8	190.2	184.2	144.0	

Program at a Glance

- Develop and implement policies that address cross-media issues (e.g. e-waste management and PFCs).
- Review environmental impact of proposed projects.
- Offer technical assistance, training and certification to the regulated community.
- Assess environmental impact of the MPCA's regulatory and cleanup project decisions through monitoring oversight, discharge standards, effluent limits, air quality modeling review, risk assessment, fishkill investigations.
- Promote the use of technology and fuels that reduce air pollution and greenhouse gas emissions.
- Provide grants and loans to promote environmentally-innovative projects
- Through the Minnesota Technical Assistance Program (MnTAP), enable Minnesota companies to save \$4.1 million in operating costs, prevent 6.2 million pounds of waste through reduction or reuse, and conserve 92.2 million gallons of water in the past two years. Every \$1 granted to MnTAP results in approximately \$3 of annual savings for Minnesota businesses.

Program Description

The MPCA's Environmental Assistance and Cross-media Program provides services that include environmental condition monitoring and assessment; pollution prevention; waste and toxicity reduction; grants and loans; sustainable development; business assistance and training; environmental impact statements; scientific and technical support to evaluate the environmental risk of proposed projects; pollution trends; emerging environmental issues; and innovation through use of technology.

Program staff assess the impact of pollutants on all media – water, air, and land – rather than one media in isolation. The program staff collect data on environmental conditions and present the data in a form useful to the MPCA Citizens' Board and Senior management, policymakers, and the public. This data enables the MPCA to protect natural resources, regulate pollution sources and effectively clean up contaminated sites. Additionally, Program staff provide direct technical assistance to other MPCA programs and assist in achieving environmental outcomes.

Program staff focus their efforts on trends and emerging environmental issues. Solutions involve the development of partnerships with businesses, communities, local units of government, citizens and other public and private interests. These partnerships include in-depth technical expertise and financial incentives for the implementation of activities, system ideas, approaches and technologies to conserve resources, prevent pollution and protect the environment.

The partnerships also include voluntary assessment of our air and water. With these approaches and resultant data, the program promotes environmentally-sound business development, community development, waste-as-a-resource, clean energy and provides educational and technical support to MPCA staff and its direct customers.

In addition to the strategic goals supported in the specific programs of water, land and air, the MPCA's strategic goals for the Environmental Assistance and Cross-media Program are:

- Minnesotans buy green products and services.
- Minnesota businesses produce green products and provide green services by reducing or eliminating the use of environmentally harmful substances.
- Minnesotans act on their environmental knowledge to support healthy ecosystems.
- MPCA leads the way to minimize its environmental footprint and assist other public entities to do the same.

Population Served

- Citizens benefit from information obtained via cross-media environmental assessments and review. Examples include air quality modeling review, ecological risk assessment and fish kill investigations.
- Citizens and decision makers at all levels of government have access to environmental data.
- Citizens benefit from waste and pollution prevention, and toxicity reduction activities.
- Partnerships with businesses, institutions, local governments, schools, community organizations, and individuals through assistance (financial and technical).
- Regulated parties receive training in state and federal requirements, enabling them to comply with existing regulations and improve operations; actively participating in protecting and improving the environment.
- All permitting agencies gain benefits from the MPCA's environmental review activities.

Services Provided**Assessment:**

- Analyze data on the condition of the environment, describing trends and stressors. This activity processes and makes available valuable data to MPCA, policymakers and citizens.
- Currently 148 air quality monitors at 56 statewide locations monitor a variety of parameters including ozone, carbon monoxide, sulfur dioxide, oxides of nitrogen, lead, particulates, hydrogen sulfide, 56 volatile organic compounds, 7 carbonyl compounds, 15 metals, acid and mercury deposition, and visibility.
- With regard to water quality assessments, the MPCA and its partners have developed a 10 year schedule to monitor surface waters by major watershed. As of 2010, 30% of Minnesota's 81 watersheds have been monitored.
- Complete environmental reviews that allow permittees, including local governments, to initiate requested projects.
- Collection of Toxic Release Inventory data from Minnesota businesses indicates progress in manufacturing sectors.

Management:

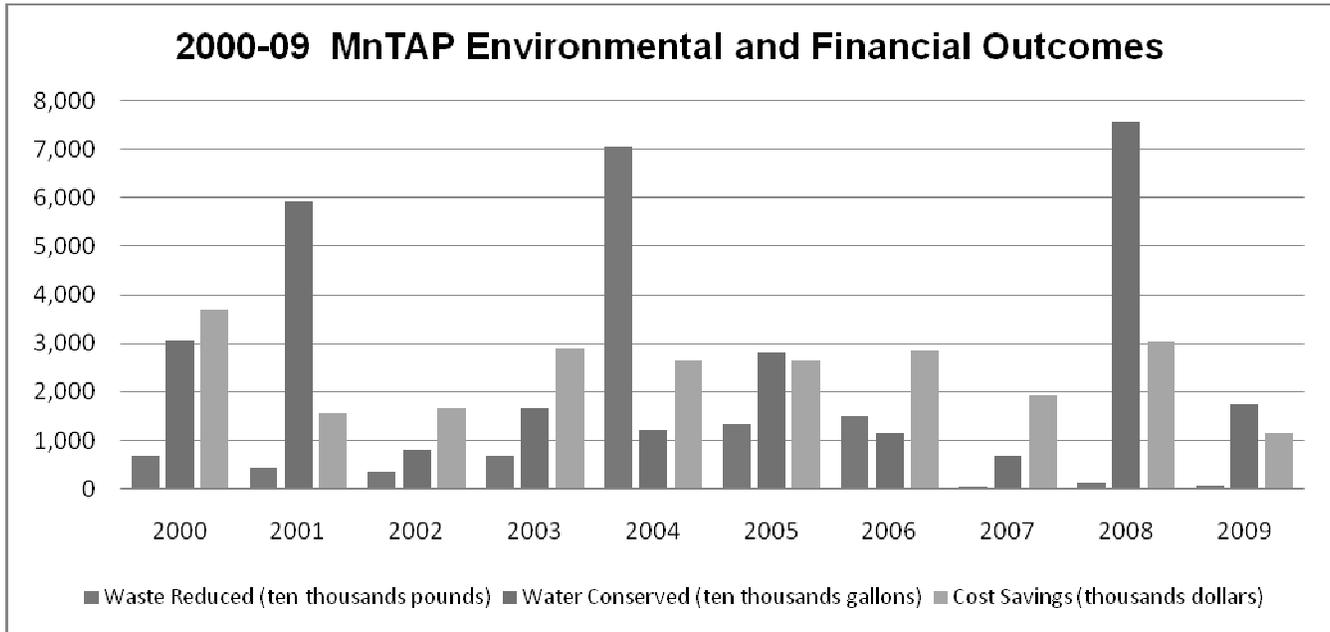
- Use data to set standards and remediation criteria to protect water, air and land resources.
- Conduct risk evaluations and provide technical support to regulatory activities.
- Provide data analysis, and develop reduction and pollution prevention strategies.
- Develop administrative and technical rules.
- The MPCA partners with others to host the Eco-Experience at the Minnesota State Fair. The Eco-Experience building allows visitors to experience environmentally-friendly products and technologies, including the latest in clean energy, transportation alternatives, storm-water best practices through rain gardens, green buildings and composting.
- The major redesign of the MPCA's website included the incorporation of the Living Green webpage, providing information to the public, businesses and government on ways to make a positive difference both in their lives and in their communities to live better, healthier lives with less impact on the environment.
- Assist Minnesota businesses using a multi-faceted approach to pollution prevention, including providing financial assistance for businesses and institutions seeking ways to reduce waste as well as offering technical assistance directly through our Small Business Assistance Program and our technical assistance partnerships. For 2008 and 2009, pollution prevention technical assistance efforts resulted in 6.8 million pounds of waste reduced, 1.3 million pounds of materials reused, 104 million gallons of water saved.
- Maintain current resources on the agency's web site for learning more about pollution prevention, reuse, recycling, responsible waste management, and sustainable practices. The NextStep website (<http://www.nextstep.state.mn.us>) offers resources for finding and sharing information on sustainability.
- Implement state policies directed at managing and treating waste as a resource. Treating waste as a resource reduces pollution, reduces greenhouse gases, saves money, and creates jobs.
- In collaboration with the Department of Commerce and other partners, the MPCA promotes development of clean energy, energy efficiency and the reduction in greenhouse gas emissions. Minnesota's Green Power Campaign encourages Minnesotans to buy wind power from their local utilities.
- Investigate wind and solar power opportunities at closed landfills, and install gas-to-energy systems at closed state-owned landfills to mitigate the impacts of gas generated at those sites.

Historical Perspective

The MPCA has made significant progress in environmental protection since the 1960s and continues to maintain ongoing regulatory activities. Minnesotans now need to address the next generation of environmental challenges – the cumulative effects of everyday human activities that present significant environmental problems. Addressing these issues requires new approaches to solving and preventing problems. Staff provide data and information to support environmental permitting and cleanup decisions and develop intervention, reduction, and prevention strategies as issues arise. A cross-media approach, particularly in monitoring key indicators, is critical to a comprehensive approach to minimizing the impacts of human activities.

Key Program Goals & Measures

The MPCA partners with the University of Minnesota in the operation of MnTAP, a technical assistance program. Since 2000, MnTAP staff and interns worked with Minnesota business to reduce over 122 million pounds of waste, conserve over 266 million gallons of water and save over \$24 million in business operating costs. In 2009, MnTAP staff and intern work also achieved 13,363 pounds in air emission reductions and conserved 1,743,142 KWH of energy with Minnesota companies.



Program Funding

Authorized appropriations in FY2010-11 total \$84.9 million. The funding mix: 64% Environmental Fund, 31% federal, 2% General Fund, and 3% other sources.

Contact

For more information, contact Fiscal – Operational Support at (651) 296-6300 or toll-free at (800) 657-3864.

The MPCA website at <http://www.pca.state.mn.us> provides useful information about Minnesota’s environment. The types of information available through the site include regulatory news and updates, rules, public notices, agency initiatives, details about environmental quality, and current “hot topics.”

For information on how this agency measures some of its efforts to meet statewide goals, please visit <http://www.departmentresults.state.mn.us>.

POLLUTION CONTROL AGENCY

Program: ENVIRONMENTAL ASST CROSSMEDIA

Program Summary

<i>Dollars in Thousands</i>					
	Current		Governor Recomm.		Biennium
	FY2010	FY2011	FY2012	FY2013	2012-13
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	776	680	680	680	1,360
Technical Adjustments					
Biennial Appropriations			9	9	18
Subtotal - Forecast Base	776	680	689	689	1,378
Governor's Recommendations					
General Fund Reduction		0	(350)	(350)	(700)
Env. Quality Board Transfer to MPCA		0	151	151	302
Total	776	680	490	490	980
Environmental					
Current Appropriation	24,606	24,470	24,413	24,413	48,826
Subtotal - Forecast Base	24,606	24,470	24,413	24,413	48,826
Governor's Recommendations					
Env. Quality Board Transfer to MPCA		0	75	75	150
E-Waste- Direct Appropriation		0	315	315	630
Total	24,606	24,470	24,803	24,803	49,606
<u>Expenditures by Fund</u>					
Direct Appropriations					
Environment & Natural Resource	375	11	0	0	0
General	731	725	490	490	980
Environmental	23,792	23,739	24,196	24,180	48,376
Statutory Appropriations					
Miscellaneous Special Revenue	951	1,403	1,051	1,051	2,102
Federal	12,008	15,981	15,125	15,125	30,250
Federal Stimulus	690	1,040	0	0	0
Environmental	2,379	2,980	3,244	3,260	6,504
Total	40,926	45,879	44,106	44,106	88,212
<u>Expenditures by Category</u>					
Total Compensation	16,792	17,185	16,969	17,143	34,112
Other Operating Expenses	5,407	8,427	7,900	7,710	15,610
Local Assistance	18,573	19,948	19,005	19,021	38,026
Other Financial Transactions	154	319	232	232	464
Total	40,926	45,879	44,106	44,106	88,212
<u>Expenditures by Activity</u>					
Ea And Cross-Media	40,926	45,879	44,106	44,106	88,212
Total	40,926	45,879	44,106	44,106	88,212
Full-Time Equivalentents (FTE)	197.5	213.7	212.9	212.9	

Program at a Glance

- The MPCA Citizens' Board resolves certain controversial matters in the MPCA's regulatory work.
- The Commissioner's Office sets the strategic direction for the MPCA.
- Financial management, human resources, education and development, information management, communication, and business systems support all MPCA environmental programs.

Program Description

Administrative Support provides financial and business support services for the MPCA's environmental program delivery from its St. Paul and seven regional offices. Administrative Support includes the Commissioner's Office, legislative relations, accounting and financial management, human resources, information systems management, communication, and business systems. The MPCA Citizens' Board expenses are also paid through this budget program.

Activities funded under this program directly support accomplishment of the Excellence in Operations goals stated in the MPCA's strategic plan. Those goals include:

- Providing a safe and healthy workplace for all employees, volunteers and visitors.
- Managing agency operations to support the agency's environmental work and core operations in effective and efficient manner.
- Achieving excellence through application of appropriate tools and best practices.
- Providing a reliable information management system that supports the agency and its partners in effective and efficient environmental work.
- Maintaining the agency's capacity to recognize and address emerging issues that fall within the agency's authority.

Population Served

Administrative Support directly serves the MPCA environmental programs by providing the underlying information and management systems necessary for effective and efficient program operations. In addition to internal customers, Administrative Support directly serves Minnesota citizens and businesses through the MPCA website providing information and transactions, and making public data available for review and use. The MPCA's information and communication serves citizens through the webcasting of board meetings, rule hearings and training events, environmental publications, events and public involvement processes. Providing environmental information directly enables citizens to conduct business electronically, and ensures access to the many programs managed by the MPCA. The MPCA Citizens' Board makes important environmental decisions that ultimately affect individuals, citizen and environmental groups, local governments, business and industry.

Services Provided

- The MPCA Citizens' Board makes decisions on complex pollution problems, and provides a venue for public participation in key environmental decisions.
- The Commissioner's Office provides leadership and strategic direction for the MPCA.
- The Administrative Support section maintains a process-improvement emphasis through the integration of continuous improvement tools and methodology to reduce costs and improve service delivery efficiency.
- The Communication section leads strategic communications planning; award winning events; media relations; risk and crisis communications; developing multi-media tools; and community relations.
- The Learning Resource Center and Library responds to thousands of information requests each year.
- The Information Systems section maintains large volumes of data and ensures data security, usability and accessibility to MPCA staff and the public through the website.
- The MPCA also enables direct communication with the public via video conferencing and web broadcasts of MPCA Citizens' Board meetings, rule hearings, and training events.
- The Business Systems staff coordinate cost-effective and environmentally-sound business practices, which include using recycled office supplies, implementing agency-wide recycling efforts, reducing energy use in buildings, using environmentally-preferred products (i.e., recycled carpet, chemically-free cleaning products, low VOC paint), reducing travel for meetings through technology, and reducing fleet size.
- Financial Assistance and Budgeting ensures that funds are spent for authorized purposes and managed according to accepted-government accounting practices.

- The Human Resource Office provides guidance and transactional support related to human resource management issues.

Historical Perspective

The Administrative Support structure for the MPCA has changed over time from a decentralized system housed separately in divisions to one of thoughtful centralization of key functions. Examples of centralized services include contracts, information services, records and document management, fleet management and supply purchasing. From an efficiency perspective combining these functions has provided improved access and response timeliness to the public through backup file management, development of electronic document management, managed websites. To the rest of the MPCA, centralized services have offered the administrative efficiencies inherent in combining separate computer, financial and business systems structures and consequently, reduced the overall administrative charges to the other programs.

Key Program Goals & Measures

MPCA manages its fiscal resources and business systems. In FY 2010:

- The MPCA provided budget information, with quarterly updates on its webpage for access by all citizens
- The MPCA met its federal financial deadlines 100% of the time.
- The Financial Assistance and Budgeting Section established annual operating budgets and ensured MPCA's spending adheres to all authorizing state appropriation language and federal grant requirements.
- The MPCA issued more than 1,000 contracts and work orders valued at more than \$106 million.
- The MPCA reduced its business miles driven by 16 percent.

MPCA provides environmental information to citizens. In FY2010:

- The MPCA reached out to thousands of citizens through its *Minnesota Environment* magazine, a variety of subject-specific electronic newsletters, webcasting its Citizens' Board meetings (12 times per year) and potentially reached millions of Minnesotans with its proactive news releases on environmental topics.
- More than 122,000 pages on the MPCA website were viewed and over 31,000 files were downloaded from MPCA's web-based environmental data portals.
- The MPCA's EcoExperience, hosted in its own building at the state fair, reached more than 350,000 visitors with environmental messages.

MPCA provides secure information systems and a well received and widely used website. In FY2010:

- The MPCA updated its website to improve accessibility for citizens, consolidated websites and refreshed the content provided.
- The MPCA responded to more than 900 requests for information through its weblink "Ask MPCA," answered more than 2,500 data practices requests, and addressed numerous general inquiries from the media and other interested parties.
- More than 7,000 regulated parties used the MPCA's website to apply for permits, submit notifications, or download and print environmental licenses.
- Additionally, web applications for conducting electronic business allow users to 1) apply and pay for a construction and industrial stormwater permits; 2) submit no exposure notifications for industrial sites; and 3) submit petroleum remediation field work notifications.

MPCA manages its human resources:

- In the first two quarters of CY 2010, MPCA lost only eight hours due to qualifying injuries.
- MPCA enjoys a new-hire turnover rate of less than ten percent within the first two years of employment.
- Workforce planning and safety training are supported from this part of the organization.

Program Funding

Authorized appropriations for Administrative Support program in FY2010-11 totaled \$43.1 million. Funding sources: 92% Special Revenue Fund, 6% General Fund and 2% other sources.

Contact

For more information, contact Fiscal – Operational Support at (651) 296-6300 or toll-free at (800) 657-3864.

The MPCA, at <http://www.pca.state.mn.us>, provides useful information about Minnesota’s environment. The information includes regulatory news and updates, rules, public notices, details about environmental quality, and guidance on doable individual activities to protect the environment.

For information on how the MPCA measures some of its efforts to meet statewide goals, please visit <http://www.departmentresults.state.mn.us>.

POLLUTION CONTROL AGENCY
 Program: ADMINISTRATIVE SUPPORT

Program Summary

<i>Dollars in Thousands</i>					
	Current		Governor Recomm.		Biennium
	FY2010	FY2011	FY2012	FY2013	2012-13
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	1,295	1,205	1,205	1,205	2,410
Technical Adjustments					
Biennial Appropriations			11	11	22
Subtotal - Forecast Base	1,295	1,205	1,216	1,216	2,432
Total	1,295	1,205	1,216	1,216	2,432
 <u>Expenditures by Fund</u>					
Direct Appropriations					
General	1,281	1,205	1,216	1,216	2,432
Statutory Appropriations					
State Government Spec Revenue	1	2	2	2	4
Miscellaneous Special Revenue	17,952	21,365	20,079	20,079	40,158
Environmental	306	304	306	306	612
Remediation Fund	117	117	129	129	258
Total	19,657	22,993	21,732	21,732	43,464
 <u>Expenditures by Category</u>					
Total Compensation	10,348	10,620	10,660	10,770	21,430
Other Operating Expenses	9,309	12,373	11,072	10,962	22,034
Total	19,657	22,993	21,732	21,732	43,464
 <u>Expenditures by Activity</u>					
Administrative Support	19,657	22,993	21,732	21,732	43,464
Total	19,657	22,993	21,732	21,732	43,464
 Full-Time Equivalents (FTE)					
	120.9	119.9	118.0	118.0	

In the FY 2010-2011 biennium, the Pollution Control Agency (PCA) received \$63.5 million in the form of grants or cooperative agreements from the federal government. This amount is expected to drop by fourteen percent (14%) in the FY 2012-2013 biennium to \$53.3 million. Of this amount, \$0.6 million is from American Recovery and Reinvestment Act (ARRA) sources.

Federal funding provides the PCA with the means to carry out activities identified in our strategic plan that are essential to our mission to protect and improve the environment and enhance our quality of life. Ninety one percent (91%) of federal funding received by the PCA is directly from the U.S. Environmental Protection Agency (EPA). The remaining nine percent (9%) is from the Great Lakes National Program Office (a separate part of EPA), the Department of Defense and the U.S. Department of Homeland Security.

The PCA's largest federal award is the Performance Partnership Grant (PPG). The PPG is a unique mechanism that combines funding under one "umbrella" award for many continuing environmental programs and for some competitive environmental grants. Receiving funds under this method gives the PCA maximum flexibility in administering resources to meet goals and objectives across environmental program areas.

The PPG accounts for \$27.1 million or 43% of our federal resources for the FY 2010-2011 biennium. This amount is expected to increase in the FY 2012-2013 biennium to \$29.5 million or 55% of our federal resources. The PPG funds the following programs: Air Pollution Control; Water Pollution Control; Wetlands Monitoring, Hazardous Waste Management; Toxics Substances Monitoring; Nonpoint Source Technical Assistance; Pollution Prevention Program; and the National Environmental Information Exchange Network.

Increases to the PPG are primarily due to the Air and Water Pollution Control Programs. Air Pollution Control funds are expected to be \$4.8 million in FY 2010-2011 and increase to \$6.0 million in the FY 2012-2013 biennium. Water Pollution Control funds will be \$11.3 million in FY 2010-2011 and \$13.0 million in FY 2012-2013. Nonpoint Source Technical Assistance funds increased to \$7.1 million in both FY 2010-2011 and FY 2012-2013.

Air Pollution Research funds are \$0.9 million in FY 2010-2011 and will increase to \$1.1 million in the FY 2012-2013 biennium. Funding for diesel emission reduction technologies under the Midwest Clean Diesel Program are at \$0.9 million in FY 2010-2011 and will drop to \$0.7 million in FY 2012-2013.

Water Quality Management funding revenues for FY 2010-2011 and FY 2012-2013 are anticipated at \$0.6 million each biennium. Nonpoint Source Program Implementation funds are expected to drop to \$11 million in FY 2010-2011 and again in FY 2012-2013 to \$8 million. Water Pollution Control Program Support funds are decreasing to \$446 in FY 2010-2011 and to \$404 in FY 2012-2013. The Beach Act Monitoring and Implementation Program funding will be at previous funding levels through FY 2011, after which the program will be phased out by the end of FY 2012.

New funding under the Great Lakes Regional Initiative (GLRI) began in FY 2011. The PCA will receive funds for to expand an existing program, the Lake Area Management Plan/Remedial Action Plan and for three new project grants. The combined total of both types of GLRI funding is \$1.6 million for FY 2010-2011 and \$2.5 million for FY 2012-2013.

The Underground Storage Tank Program is anticipated to drop by \$0.2 million in FY 2012-2013 to \$1.5 million. The Leaking Underground Storage Tank and Brownfields Response Program funds will remain stable through FY 2012-2013. Increases to the Reimbursement of Technical Services through the Department of Defense funding are expected at \$0.9 million in FY 2010-2011 and \$1.1 million in FY 2012-2013. This reimbursement funding is contingent on federal sites needing PCA's technical assistance and may not be fully used if reimbursable work is not performed. Site-specific Superfund activities continued to decline from \$496 in FY 2010-2011 to \$457 in FY 2012-2013, as project sites decrease. Superfund Core funds are also decreasing from \$353 in FY 2010-2011 to \$324 in FY 2012-2013.

Federal Award Name + Brief Purpose	New grant	Required state match/MOE? Yes/No		SFY 2010 Revenues	SFY 2011 Revenues	Estimated SFY 2012 Revenues	Estimated SFY 2013 Revenues
		Match	MOE				
ARRA – MN Clean Diesel Program (CFDA 66.040) Decreases diesel emissions through grants for emission reduction technologies.		No	No	690	1,040	0	0
ARRA – Leaking Underground Storage Tanks (CFDA 66.805) Assessment and cleanup of abandoned sites contaminated by leaking underground tanks.	X	No	No	1,716	2,540	500	0
ARRA – Water Quality Management (CFDA 66.454) Water quality planning activities at state and local levels.	X	No	No	161	419	148	0
ARRA – Clean Water State Revolving Fund through the Public Facilities Authority (CFDA 66.458) Technical assistance work for wastewater construction projects.		No	No	2,324	1,527	0	0
Reimbursement of Technical Services DSMOA (CFDA 12.113) Environmental cleanup and site restoration on various federal Department of Defense installations.		No	No	333	542	512	500
Air Pollution Control – Research (PM 2.5 Monitoring, CFDA 66.034) Supports air quality fine particle monitoring and data gathering.		No	No	399	564	564	564
Midwest Clean Diesel Program (CFDA 66.040) Decreases diesel emissions through grants and loans for emission reduction technologies.		Yes	No	320	612	375	375
Water Pollution Control Program Support (CFDA 66.419) Two grants that support surface water monitoring program activities; expanding networks, biological monitoring and technology.		No	No	56	390	230	174
Water Quality Management Planning (CFDA 66.454) Measures for the prevention and control of surface and ground water pollution, includes monitoring coordination, water assessments and data management.		No	No	308	343	325	325
Non-Point Source Program Implementation (CFDA 66.460) Multi-year grants fund local watershed studies and implementation projects.		Yes	No	3,379	7,727	4,269	3,750
Great Lakes Program Lake Area Management/Remedial Action Plan (CFDA 66.469) To restore capacity and protect water quality in the Lake Superior Basin through coordinative efforts to reduce impairments and toxic chemicals.		No	No	234	850	868	873

		Required state match/MOE? Yes/No					
Great Lakes Program Lake Area GLRI Projects (CFDA 66.469) Watershed restoration and assessment activities such as sediment source reduction and nutrient loading and promotion of long-term environmental sustainability in the Duluth Harbor area.	X	No	No	0	501	606	147
Beach Act Monitoring and Implementation Program (CFDA 66.472) Lake quality sampling to reduce exposure and disease risks for users of Lake Superior beaches.		No	No	97	295	51	0
Performance Partnership Grants (CFDA 66.605) Multi-year funding for many ongoing environmental programs, including air quality, water quality and hazardous waste.		Yes	Yes	11,803	15,369	14,750	14,750
NPDES Data Quality (CFDA 66.709) Ensures pollutant source data is accurate and compatible with federal systems.		No	No	14	70	0	0
Superfund State Programs (CFDA 66.802) Investigation and remediation activities at specific Superfund hazardous waste sites.		No	No	244	252	233	224
Underground Storage Tank Program (CFDA 66.804) Permitting and compliance activities for regulated underground storage tanks, including, detection and identification of releases.		Yes	No	765	941	832	690
Leaking Underground Storage Tank Trust Fund (CFDA 66.805) Administration activities to clean up properties contaminated with petroleum from underground storage tanks.		Yes	No	1,598	1,463	1,500	1,500
Superfund Core Program Cooperative Agreements (CFDA 66.809) Administration of the Superfund hazardous waste cleanup program.		Yes	No	191	162	162	162
Brownfields Response Program (CFDA 66.817) Development and enhancement of the Voluntary Investigation and Cleanup Program and Petroleum Brownfields Programs.		No	No	672	690	700	700
BioWatch Program (CFDA 97.091) Metropolitan area air monitoring network.		No	No	978	988	988	988
Total				26,282	37,285	27,613	25,722

POLLUTION CONTROL AGENCY

Agency Revenue Summary

Dollars in Thousands

	Actual FY2010	Budgeted FY2011	Governor's Recomm.		Biennium 2012-13
			FY2012	FY2013	
<u>Non Dedicated Revenue:</u>					
Departmental Earnings:					
General	8	8	8	8	16
Petroleum Tank Release Cleanup	5	5	5	5	10
State Government Spec Revenue	40	40	67	67	134
Environmental	23,383	24,684	25,103	25,272	50,375
Other Revenues:					
General	145	1	0	0	0
Environmental	2,294	1,651	1,632	1,595	3,227
Remediation Fund	2,301	2,038	1,722	1,722	3,444
Closed Landfill Investment	41	2	2	2	4
Total Non-Dedicated Receipts	28,217	28,429	28,539	28,671	57,210
<u>Dedicated Receipts:</u>					
Departmental Earnings:					
Miscellaneous Special Revenue	826	589	459	459	918
Environmental	290	160	0	0	0
Remediation Fund	547	665	640	640	1,280
Grants:					
Clean Water Revolving Fund	0	986	1,543	0	1,543
Miscellaneous Special Revenue	459	642	359	359	718
Federal	21,391	31,759	26,965	25,722	52,687
Federal Stimulus	2,567	3,999	648	0	648
Other Revenues:					
Clean Water Revolving Fund	398	230	230	230	460
Miscellaneous Special Revenue	21,266	20,038	20,933	20,908	41,841
Federal Stimulus	2,324	541	0	0	0
Environmental	51	60	53	53	106
Remediation Fund	3,098	69	55	55	110
Miscellaneous Agency	1	0	0	0	0
Gift	988	1,041	0	0	0
Other Sources:					
Clean Water Revolving Fund	2,684	2,300	2,300	2,300	4,600
Miscellaneous Special Revenue	5	28	28	28	56
Environmental	247	264	264	264	528
Taxes:					
Environmental	2,593	2,037	3,152	3,168	6,320
Remediation Fund	865	680	1,052	1,057	2,109
Total Dedicated Receipts	60,600	66,088	58,681	55,243	113,924
Agency Total Revenue	88,817	94,517	87,220	83,914	171,134