

In Person Attendance:

Minnesota Department of Commerce
85 7th Place East, St. Paul, MN 55101
Golden Rule Building, Summit Conference Room
(Go to Front Desk on Skyway Level for escort to 5th Floor)

Remote Attendance:

This meeting can be attended remotely.
Check the Petrofund website for more information:
<https://mn.gov/commerce/business/petrofund/>



Petroleum Tank Release Compensation (Petrofund) Board Regular Meeting

Date: Wednesday, March 13, 2024

Time: 11:00 AM

Agenda

- A. Approval of January 10, 2024 Petrofund Board Regular Meeting Minutes**
- B. Minnesota Department of Employment and Economic Development Grant Summary Report**
- C. Minnesota Pollution Control Agency (MPCA) Staff Report and Fund-Financed Summary Report**
- D. Minnesota Department of Commerce (Commerce) Staff Report and Fund Report**
- E. MPCA and Commerce Staff Report on Legislative Audit-Related Legislation**

Next Petrofund Board Regular Meeting

Wednesday, May 8, 2024 – 11:00 AM
Minnesota Department of Commerce
85 7th Place East, St. Paul, MN 55101
Golden Rule Building, Summit Conference Room

To participate remotely, check the Petrofund website for updates:
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Petroleum Tank Release Compensation (Petrofund) Board Regular Meeting

A. Approval of the January 10, 2024 Petrofund Board Regular Meeting Minutes

Petroleum Tank Release Compensation Board

Regular Meeting Minutes

Date: January 10, 2024

Location: Summit Conference Room, Golden Rule Building, 85 – 7th Place East, St. Paul, Minnesota
Participants could also attend remotely in accordance with Minn. Stat. §13D.015.

Board Members

Present

- Chair Vern Kelley, Petroleum industry representative
- Julie Quinn, Public member representative
- Charles Blixt, Experience in claims adjustment representative
- Vice-Chair Sarah Larsen, Commissioner of the Minnesota Pollution Control Agency (MPCA) designee
- Peter Bratsch, Commissioner of the Minnesota Department of Commerce (Commerce) designee

Call to Order

Mr. Kelley called the meeting to order at 11:00 a.m.

Approval of the July 12, 2023 Board Regular Meeting Minutes

Ms. Larsen moved, Mr. Blixt seconded, to approve the July 12, 2023 Board regular meeting minutes. The motion passed 5-0.

Election of Vice-Chair

Mr. Kelley moved, Mr. Blixt seconded, to elect Ms. Larsen as Vice-Chair of the Board for calendar year 2024. The motion passed 5-0.

Consideration of Appealed Reimbursement Determination

1. Edwards Oil, Inc.

File #52031– Edwards Oil Bulk Plant

Bob Skalko appeared before the Board on behalf of Edwards Oil, Inc. to appeal a 15% reduction (\$6,771.32) for failure to provide a dike or other structure that would contain a spill at an above ground storage tank site (pursuant to Minn. Rule 2890.0065, subp. 4).

Mr. Kelley explained that the reduction was imposed based on a site inspection made by MPCA staff in 2011, where it was discovered that a valve in the secondary containment was left open. Mr. Kelley noted that the MPCA issued a citation warning against the applicant at that time for the violation. Mr. Kelley explained that the release at this site was detected and reported in 2023, when a different gate valve failed and fuel was released from an above ground storage tank and overflowed the secondary containment.

Mr. Kelley acknowledged that the imposition of this reduction did not need to be tied to whether the violation caused or contributed to the leak, but expressed concern about imposing the reduction when the violation occurred 12 years prior to the release and the MPCA would have imposed a penalty of only \$250.00 had the applicant not addressed the violation within 60 days.

Ms. Quinn asked whether the applicant had addressed the violation within 60 days back in 2011. MPCA Tanks Unit Supervisor Nate Blasing responded that the valve was closed, so no financial penalty was assessed. Mr. Blasing also explained that while underground storage tanks are required to be inspected at least once every three years, above ground tanks do not have a similar requirement, which is why this tank system was last inspected in 2011.

Ms. Quinn asked when the applicant purchased the leaksite property and when they upgraded the secondary containment that included the valve that had been left open. Mr. Skalko responded that the applicant purchased the property in 2008 and redesigned and replaced the secondary containment shortly after the 2011 inspection. Mr. Skalko added that the applicant had also recently redesigned the tank system to help prevent future releases similar to the one that occurred in 2023.

Mr. Blixt asked for clarification of whether the 2011 violation and the 2023 release were connected. Ms. Larsen responded that they were not, but that the Board's practice, based on changes in the Petrofund statute over time, has been that violations and leaks do not need to be connected. Ms. Larsen noted that the investigation of the contamination at the leaksite was assessing all possible historic tank leaks at the site.

Mr. Bratsch asked whether the circumstances of the 2023 release were common enough that tank owners like the applicant should generally be aware of the potential of that type of leak occurring or whether the leak resulted from an extraordinary and unfortunate set of circumstances. Mr. Blasing and Mr. Kelley responded that this seemed to be a relatively unusual situation, though Mr. Blasing indicated that he was not completely aware of the circumstances of the release.

Mr. Bratsch asked whether the state of the secondary containment at this site at the time of the 2023 release would have raised any concerns from MPCA staff. Mr. Blasing responded that he could not provide a definitive answer to the question, since he had not seen documentation of the secondary containment at the time of the release, but based on the description of the secondary containment provided to him by Mr. Skalko, it appeared to meet the necessary requirements. Mr. Blasing reiterated that MPCA Tanks staff had not performed a site inspection since 2011, so he could not comment with certainty on the adequacy of the current secondary containment at this site.

Mr. Bratsch moved, Mr. Blixt seconded, to not impose the 15% reduction for failure to provide a dike or other structure that would contain a spill at an aboveground storage tank site. The motion passed 4-1, with Ms. Larsen voting against.

Minnesota Pollution Control Agency Staff Report and Fund-Financed Summary Report

MPCA Program Administrator Amy Miller announced that the PRP had filled several open positions: Unit Supervisor Sara Nelson; Project Manager Felix Ronkainen; Hydrologist Ella King; Student Workers Abby Vincent and August Wifler; and Remediation Division Director Pam Anderson.

Ms. Miller reported that the MPCA was reviewing reports within its 120-day statutory requirement, with eight exceptions since the Board's last regular meeting in July 2023. Ms. Miller noted that all of the instances were related to one staff person, which was being addressed by PRP leadership.

Ms. Miller reported that of the \$8,754,000 requested for the PRP's fund-financed projects for fiscal year (FY) 2023, PRP had written work orders totaling approximately 84% of that amount and invoices totaling approximately 67% of that amount. Ms. Miller reported that of the \$2,146,000 requested for the Emergency Response Unit's (ERU's) fund-financed projects for FY2023, ERU had written work orders totaling approximately 96% of that amount and invoices totaling approximately 88% of that amount. Ms. Miller noted that the MPCA returned just under \$700,000 to the Petrofund after the close of the fiscal year.

Ms. Miller reported that of the \$8,600,000 requested for the PRP's fund-financed projects for FY2024, PRP had written work orders totaling approximately 78% of that amount and invoices totaling approximately 25% of that amount, to date. Ms. Miller reported that of the \$500,000 requested for the ERU's fund-financed projects for FY2024, ERU had written work orders totaling approximately 85% of that amount and invoices totaling approximately 17.5% of that amount, to date.

Mr. Bratsch noted that there were some fund-financed projects on the FY2023 and FY2024 allotment summaries included in the meeting information packet where there were significant disparities between the allocation amount, work order amount and invoice amount. Mr. Bratsch asked that when these situations arise MPCA staff provide the Board with descriptions of why the disparities have occurred. Ms. Larsen responded that MPCA staff would start providing those descriptions as part of the fund-financed summary reports in cases where the disparity is \$100,000 or more.

Mr. Kelley asked whether the new state leave law would affect PRP operations. Ms. Larsen responded that state leave policy generally already covers the new requirements, so the law should have little effect on PRP staff.

Ms. Quinn moved, Mr. Bratsch seconded, to approve the MPCA staff report and fund-financed summary report. The motion passed 5-0.

Mr. Kelley informed the Board that Fueling Minnesota had hosted a series of training sessions for its members related to the proper operation of leak detection and prevention systems. Mr. Kelley thanked the MPCA Tanks staff for their participation in the sessions. Mr. Blasing introduced three tank inspectors who attended the Board meeting to have a better idea of how the reimbursement process works: Tanner Beck (Mankato area); Isaac Johnson (Rochester area); and Joe Saba (Hennepin County). Mr. Blasing indicated that the Tanks Unit had recently filled an inspector position in Detroit Lakes and was in the process of filling another in Marshall.

Minnesota Department of Commerce Staff Report and Fund Report

Petrofund Director Joel Fischer notified the Board that Petrofund staff was not reviewing initial and supplemental reimbursement applications within 60 and 120 days, respectively, as required by statute. Mr. Fischer noted that as of the date of the Board meeting, initial applications were being reviewed within 74 days of their receipt and supplemental applications were being reviewed within 134 days of their receipt. Mr. Fischer identified several factors leading to not meeting the requirement: the delay in Cost Recovery Coordinator Kelly Kangas' training as an analyst due to her need to train new staff member Riley Kenworthy; the delay in Ms. Kangas' training as an analyst due to her needing to respond to a significant increase in the number of cost recovery cases; and the loss of two weeks of review time with Petrofund Analyst Kathi Roelke out of the office.

Mr. Fischer reported that the following number of applications had been received since his last report to the Board: 15 in July; 19 in August; 15 in September; 14 in October; 13 in November; and 19 in December. Mr. Fischer indicated that a total of \$1,228,392.21 in reimbursement claims had been approved for payment in FY2024, to date.

Mr. Fischer notified the Board that Commerce was proposing a technical amendment to the Petrofund statute as part of the 2024 legislative session. Mr. Fischer indicated that the proposal would amend Minn. Stat. §115C.08, subd. 2 to direct the Minnesota Department of Revenue (Revenue) to impose the Petrofund fee within 90 days of receiving notice from the Board, rather than the current requirement of 60 days. Mr. Fischer explained that Revenue currently requires a minimum 60-day notice.

Mr. Fischer presented the Fund Report, informing the Board that the unencumbered balance of the Petrofund was \$1,453,871 and the cash balance was \$33,462,339. Mr. Fischer informed the Board that because the unencumbered balance had dropped below \$4 million, the Board would need to impose the Petrofund fee in accordance with Minn. Stat. §115C.08. Mr. Fischer indicated that the Minnesota Department of Revenue (Revenue) required at least 60 days notice to activate the fee and recommended that the Board impose it for the four-month period of May 1, 2024 to August 31, 2024. Mr. Kelly moved, Ms. Quinn seconded, to notify Revenue to impose the fee from May 1, 2024 to August 31, 2024. The motion passed 5-0.

Ms. Larsen moved, Ms. Quinn seconded, to approve the Commerce staff report and fund report. The motion passed 5-0.

Minnesota Pollution Control Agency and Commerce Staff Report on Legislative Audit-Related Legislation

Ms. Larsen reported to the Board that MPCA and Commerce staff had been meeting regularly as part of their continuing efforts to comply with the legislation related to the Office of the Legislative Auditor's (OLA's) February 2022 evaluation of the PRP. Ms. Larsen indicated that the group had drafted MPCA Project Leader Kathryn Serier to gather information from other states about how they handle consultant certification and evaluate consultant performance. Mr. Fischer indicated that Commerce staff had also gathered some information from other states as part of a state fund conference call.

Mr. Blixt asked whether a timeline had been set to meet the requirements of the statute. Ms. Larsen responded that PRP is required to provide the OLA with updates every three months and that the group would hopefully have a more detailed timeline for the Board at its next meeting.

Adjournment

Ms. Larsen moved, Mr. Blixt seconded, to adjourn the meeting. The motion passed 5-0. Mr. Kelley adjourned the meeting at 12:16 p.m.

Minutes prepared by: Joel Fischer, Petrofund Director

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Petroleum Tank Release Compensation (Petrofund) Board Regular Meeting

B. Minnesota Department of Employment and Economic Development Grant Summary Report



MEMORANDUM

To: Joel Fischer, Department of Commerce, Petrofund

From: Kristin Lukes, DEED, Brownfields and Redevelopment Unit

Date: January, 2024

RE: Recently funded Contamination Cleanup Grants, November 2023 Grant Round:

Please find below descriptions of projects funded using Petrofund dollars, followed by the MPCA evaluations. Five of the six projects awarded will receive petrofund funding. The award total for the grant round is \$2,148,809, and the petrofund portion is \$1,970,734.

City of Albert Lea –

The city of Albert Lea is awarded \$130,527 in cleanup funding for this 3.66-acre site contaminated with petroleum and other contaminants. Historically part of the larger meat-packing facility, this site has also been used for auto repair and drycleaning. It will be redeveloped into a 9,100 square-foot convenience store with multiple filling pumps and a car wash. This project is anticipated to create six jobs, retain 13 jobs, increase the local tax base by \$54,824, and leverage \$8.7 million of private investment. Matching funds will be provided by the city.

City of Maplewood – Gladstone Village

The city of Maplewood is awarded \$402,603 in cleanup funding for this 1.58-acre site contaminated with petroleum and other contaminants. Historically used as a gasoline station, a power equipment business, and most recently a funeral home, this site will be redeveloped into a four-story, 65-unit, affordable apartment building. This project is anticipated to create five jobs, increase the local tax base by \$27,102, and leverage \$18.9 million of private investment. Matching funds will be provided by the developer and other grant sources.

City of Minneapolis – O'Shaughnessy

The city of Minneapolis is awarded \$394,411 in cleanup funding for this 1.2-acre site contaminated with petroleum and other contaminants. Historically occupied by railroad tracks, a blacksmith, automotive repair, and outdoor storage, this site will be redeveloped into a 24,242 square-foot warehouse with offices for an adjacent business expansion. This project is anticipated to create six jobs, retain 20 jobs, increase the local tax base by \$120,268, and leverage \$4 million of private investment. Matching funds will be provided by the developer and other grant sources.

Business and Community Development Division, Office of Brownfields and Redevelopment

Great Northern Bldg. 180 E. 5th St. 12th Floor

St. Paul, MN 55101

PHONE 651-259-7449 <http://mn.gov/deed>

AN EQUAL OPPORTUNITY EMPLOYER AND SERVICE PROVIDER

City of Newport – Red Rock Villas

The city of Newport is awarded \$418,500 in cleanup funding for this 8.42-acre site contaminated with petroleum and other contaminants. Historically occupied with a mix of residential and commercial/industrial uses, and most recently office and semi-truck/trailer parking, this site will be redeveloped into four multi-unit apartment buildings with a total of 143 units. This project is anticipated to create 11 jobs, increase the local tax base by 683,334, and leverage \$56.6 million of private investment. Matching funds will be provided by the developer and other grant sources.

City of Shoreview – Rice Street Crossing

The city of Shoreview is awarded \$624,693 in cleanup funding for this 10.99-acre site contaminated with petroleum and other contaminants. Historically used as a Ramsey County Public Works facility, this site will be redeveloped into a four-story, 253-unit apartment building (51 affordable units), and a 10,000 square-foot commercial/retail building. This project is anticipated to create 20 jobs, increase the local tax base by \$1,007,234, and leverage nearly \$72.4 million of private investment. Matching funds will be provided by the developer and other grant sources.

Convenience Store and Filling Station

Albert Lea (3.66 acres)

MPCA Program InformationVIC-approved RAP? Y PM RyserPBP-approved RAP? Y PM Hammond**Current Status**

Vacant land

Past Use

The Site is part of a 33-acre site that was developed as a meat packing facility from at least 1918 through 2001, when a fire destroyed the facility. The meat packing facility included general operations as well as aboveground storage tanks (ASTs) containing fuel, maintenance garages, and a machine shop. Residential and commercial structures were located along the east side of the Site. A dry cleaner, car wash, auto sales and services, and a concrete product plant were located on the northeast portion of the Site. The last of the former buildings were demolished by 2003 and the Site has been vacant since.

Proposed Use

Convenience store and gasoline filling station

Data SummaryIs petroleum contaminated soil present? Y.

Contaminant	Soil (ppm)		Vapor (ug/m ³)	Groundwater (ppb)	
	Avg	Max	Max	Avg	Max
PCE	0.091	0.123	8,560	1.6	2.1
Arsenic			n/a	31	33.5
BaP	0.035	0.16	n/a		
DRO	32.7	123	n/a		

Summary of Response Action

Excavation of PCE-contaminated soils in northeast corner of development and PAH and DRO impacted soil in the central portion of the parcel. A total of 1,330 cyds of contaminated soil to go to permitted landfill.

Comments on budget items

Requesting \$362,408 from DEED.

Project costs appear to be included in the request (*preparation of environmental cleanup bid specification, 2 feet clean import on remaining portion of the site to make flat with 2 foot clean buffer added over contaminated area*)

0.75*242,211=\$181,658

Dig/haul/disposal costs are reasonable.

MPCA costs should be closer to \$4-5K

Additional soil vapor investigation is pending in order to determine whether or not the vapor area of concern extends beneath the proposed building. Therefore, vapor mitigation system costs are a contingency item. However, the sample from BS-SV-SV-6 which is about 90' from the proposed filling station exceeds 33X Commercial ISV.

Gladstone Village

Maplewood (1.5 acres)

MPCA Program InformationVIC-approved RAP? Yes PM SmokovitzPBP-approved RAP? Yes PM Johnson**Current Status**

Currently developed with a slab-on-grade commercial building constructed in 1973

Past Use

A gas station and commercial buildings were historically developed on the Site. Previous operations have included a Lion's Club and funeral home. Portions of the Site were also used as a part of a mobile home park in the 1950s and 1960s.

Proposed Use

Redevelopment of the Site with a four-story residential building with underground and surface parking.

Data SummaryIs petroleum contaminated soil present? Yes.

Contaminant	Soil (ppm)		Vapor ($\mu\text{g}/\text{m}^3$)	Groundwater (ppb)	
	Avg	Max	Max	Avg	Max
Benzene	.05	0.6			
DRO	93.7	167			

Fill with debris consisting of slag, clinkers, concrete, and brick present throughout the Site to depths up to 9.5' below grade.

Summary of Response Action

Excavation and landfill disposal of impacted fill soils.

Comments on budget itemsRequesting \$ 382,603 from DEED, \$ 100,058 from Met Council and \$ 100,058 from Ramsey County.

Soil volumes assume 10' excavation depth in building and infiltration system area. Southern excavation area likely closer to 5' excavation or ~2,000 CY. Northern excavation area seems fairly reasonable due to DRO and debris observations.

\$35/ton for dig/haul/disposal is reasonable

MPCA Program oversight is listed twice? Totaling \$10,000 which is high

O'Shaughnessy Expansion

Minneapolis (1.2 acres)

MPCA Program InformationVIC-approved RAP? Y PM GuertinPBP-approved RAP? Y PM Hammond**Current Status**

Vacant vegetated land

Past Use

The Site was developed by the early 1900s when railroad tracks were constructed on the northwest portion of the Site. By 1912, a commercial building was constructed in the northwest portion of the Site and was occupied by a blacksmith and auto repair shop until the building was razed in 1934. Between 1952 and 1966, a machinery storage building was present in same location as the former commercial building. In the 1980s through 1990s, the western portion of the building was used for exterior storage. The railroad tracks were removed in the 1990s. East-adjacent parcel, 30-029-23-11-0010 has an EC recorded which indicates no disturbance or alteration of soils beneath the clean soil cover. This is related to Minnesota Superfund Site number SR5.

Proposed Use

The Site has been vacant since the 1990s.

Data SummaryIs petroleum contaminated soil present? Y.

Contaminant	Soil (ppm)		Vapor (ug/m ³)	Groundwater (ppb)	
	Avg	Max/c-srv	Max	Avg	Max
Lead	288	2,380/460			
BaP Equivalent	5.1	117/23			
Arsenic	7.53	58.4/9			
PCBs (total)	0.26	2.45/10			
DRO	89	210/100			

Some lead found to be characteristically hazardous and will be stabilized prior to disposal.

Summary of Response Action

Excavation, stabilization, and landfill disposal of lead-impacted soil in the lead hotspots in the eastern portion of the Site. Fill soils will also be removed for landfill disposal.

Comments on budget items

Requesting \$293,970 from DEED, \$125,100 from Met Council and \$101,322 from Hennepin County.

-Dig/haul/disposal cost is reasonable

-MPCA time should be closer to \$4-5K

Red Rock Villas*Newport (8.42 acres)***MPCA Program Information**VIC-approved RAP? Yes PM RyserPBP-approved RAP? Yes PM Johnson**Current Status**

Developed with single-family residence in the northern portion and a commercial office building with semi-trailer parking in the southern portion.

Past Use

The southeastern corner of the Site was developed with a portion of a commercial building, initially operated as a semi-truck and trailer repair and maintenance facility, that was occupied by multiple tenants identified as hazardous waste generators until the early 2000s.

Proposed Use

Redevelopment of the Site with a four-story residential building with underground and surface parking.

Data Summary

Is petroleum contaminated soil present? Yes.

Contaminant	Soil (ppm)		Vapor (ug/m ³)	Groundwater (ppb)	
	Avg	Max	Max	Avg	Max
DRO		3,700			2,320
GRO		172			246
Benzene			191 (43)		
Ethylbenzene			13.3 (140)		
1,3-butadiene					
PCE			43.9 (110)		
TCE			111 (70)		

Summary of Response Action

Excavation and landfill disposal of impacted fill soils and vapor mitigation for each of the proposed buildings.

Comments on budget items

Requesting \$508,500 from DEED and \$88,140 from Met Council.

\$31.50 for dig/haul/disposal is reasonable.

Soil excavation volumes appear to be based off detections of petroleum compounds in one soil sample with an excavation depth to ~4'. Total volume seems high and may be closer to 2,500 CY (vs 5000)

Rice Creek Crossing*Shoreview (10.99 acres)***MPCA Program Information**VIC-approved RAP? Y PM SchmittPBP-approved RAP? Y PM Hammond**Current Status**

The Site has been vacant since 2009.

Past Use

Two parcels have been developed since the 1950s. In the 1950s, the Site was developed as a Ramsey County Public Works facility, which included vehicle and equipment storage and repair, fleet vehicle fueling, public used oil collection, a gun range, sign assembly and repair, an impound lot, and storage of petroleum products, salt, aggregate, and other materials. The Site buildings were demolished in February 2006, and September 2009.

Proposed Use

Four-story, 253-unit apartment building with one level of underground parking in the east-central portion of the Site, a slab-on-grade commercial building on the southern portion of the Site, and associated paved drive and parking areas, utilities, stormwater management features, and landscaped areas.

Data SummaryIs petroleum contaminated soil present? Y.

Contaminant	Soil (ppm)		Vapor (ug/m ³)	Groundwater (ppb)	
	Avg	Max	Max/33X-R-ISV	Avg	Max
Benzene	ND	ND	474/370	ND	ND
DRO	260	10,800	N/A	10	45,100
BaP Equivalent	0.14	0.465	--	--	--
GRO	35	878	--	249	1,990

This data is from the 2021 investigations, not from the 1989-2006 investigations.

Summary of Response Action

9,200 cy of contaminated soil to be excavated and disposed of off-site. An SSDS will be installed below the building due to benzene being detected at greater than 33x the residential ISV.

Comments on budget items

Requesting \$534,827 from DEED, \$147,836 from Met Council and \$89,888 from Ramsey County.

-Dig/haul/disposal costs are reasonable

-\$3/sf for vapor mitigation installation seems reasonable.

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Petroleum Tank Release Compensation (Petrofund) Board Regular Meeting

C. Minnesota Pollution Control Agency Staff Report and Fund-Financed Summary Report

DEPARTMENT: POLLUTION CONTROL AGENCY

SF-00006-05 (4/86)
STATE OF MINNESOTA

DATE: February 27, 2024

Office Memorandum

TO: Petroleum Tank Release Compensation Board
Department of Commerce

FROM: Sarah Larsen, Manager
Petroleum Remediation Program (PRP)

PHONE: (651) 757-2517

SUBJECT: FY24 Project List Report and Updates

FY24 Project List

As of February 27, 2024, the MPCA has approved \$7,310,106 (\$ 6,844,783 PRP/ \$465,323 ER) in work orders for FY 24. Below are the requests the MPCA has made to the Petrofund this fiscal year for invoices received:

July 17, 2023 for \$500,000	October 4, 2023 for \$566,861	November 7, 2023 for \$555,237
December 8, 2023 for \$524,543	January 3, 2024 for \$496,365	January 29, 2024 for \$449,534

Total: \$3,092,540

Fiscal Year Comparisons

Below is a table that compares Fiscal Year 2023 and Fiscal Year 2024 in terms of work orders and invoices paid against approved Petrofund dollars.

PRP FY 23 vs. FY 24	PetroBoard Approved \$	Work Orders Written	Amount Invoiced
PRP FY 2023 7/1/22 -2/21/23)	\$8,754,000	\$6,590,016	\$1,955,364
% of Approved \$		75.8%	22.3%
PRP FY 2024 7/1/23-2/23/24)	\$8,450,000*	\$6,844,783	\$2,806,094
% of Approved \$		81.0%	33.2%

ER FY 23 vs. FY 24	PetroBoard Approved \$	Work Orders Written	Amount Invoiced
ER FY 2023 (7/1/22-2/21/23)	\$2,146,000	\$1,934,718	\$1,550,778
% of Approved \$		90.2%	72.3%
ER FY 2024 (7/1/23-2/23/24)	\$650,000*	\$465,323	\$109,562
% of Approved \$		71.6%	16.9%

*On January 22, 2024 the MPCA transferred \$150,000 of our approved PRP funds to ER in order to provide continuity of emergency services.

There are 5 site projects that have encumbered greater than \$100,000 in project funds but were not listed on the May 2023 Petrofund Request. The sites are highlighted in blue in the 2024 PRP allotment summary attached.

- LS0005053 Finlayson Coop – The proposed corrective action estimate was not included in the May 2023 Petrofund request. Early in 2024, MPCA and the MPCA contractor worked with Department of Admin to get a contractor to complete the chemical injection corrective action to address the groundwater plume at the site. The cost of the corrective action is \$545,435.00.

- LS0019066 Longville Bible Chapel – The FY2023 summary report was not reviewed until 2024. Based on this review, more site work including monitoring well installation, groundwater plume definition and monitoring well and private well sampling was necessary.
- LS0021098 Busy Corner Store – The excavation corrective action was expected to be completed in FY2023. Unfortunately, the wet winter and additional rain events, extended a portion of the corrective action into FY2024. The corrective action was completed last Fall.
- LS0021627 Cut Face Creek Tanker Rollover – Post granular active carbon (GAC) sampling of the 16 potable well systems indicated GAC changeout was required sooner than expected. The GAC changeouts occurred in early calendar year 2024.
- LS0079004 Public Water Supply Wells – Currently there are two active projects (city of Sauk Rapids and city of Nisswa) under this site ID, where we are looking for a source for petroleum contamination detected in municipal wells. The project in Nisswa is more complex than anticipated, has no obvious source, and additional groundwater plume definition is underway.

SL:am

Attachments:

FY 2024 PRP Allotment Summary Report

FY 2024 ER Allotment Summary Report

FY2024 PRP Allotment Summary

2/26/2024

Site ID	Site name	City	Leak Site			Allocation Amount this FY	Work Order Amount this FY	Invoiced	
			Reported	FF approved	FF closed			Amount this FY	PRP Lifetime spent
LS0000131	Former Midtown Service Station	Paynesville	7/1/1985	1/1/1998		\$75,000.00	\$4,200.00	\$0.00	\$2,622,674.73
LS0000167	Lyon's Pride	Forest Lake	4/14/1983	10/19/2021		\$58,000.00	\$35,907.45	\$12,800.93	\$153,060.75
LS0000687	Robert Graff Property	Aitkin	6/5/1988	7/11/2018	8/11/2023	\$0.00	\$0.00	\$0.00	\$265,005.21
LS0001419	Rock Creek Motor Stop & Cafe/Kutzke Oil Company, Inc.	Pine City	8/7/1989	8/12/2021		\$15,000.00	\$30,277.84	\$1,791.80	\$25,037.76
LS0001741	Jerry's Texaco	Flensburg	8/24/1989	12/22/2008		\$618,500.00	\$54,626.74	\$27,722.69	\$931,689.42
LS0002216	Hope Coop Creamery	Hope	1/8/1990	1/3/2024			\$35,039.54		
LS0002609	Glacial Ridge Vet Clinic	Glenwood	5/31/1990	12/6/2022		\$90,000.00	\$15,432.48	\$3,183.77	\$33,703.79
LS0002621	Engel Distributing Company, Inc.	Austin	4/15/1990	10/17/2023			\$50,063.79	\$2,574.18	\$444,014.22
LS0003801	Southside Quik Stop	Saint Stephen	2/14/1991	1/29/2014		\$657,000.00	\$704,857.34	\$428,541.11	\$1,644,077.74
LS0003807	Town & Country Oil	Mora	2/15/1991	11/27/2012		\$250,000.00	\$482,899.21	\$283,827.10	\$1,680,745.90
LS0004220	Former Sarge's Service/Truman Flowers and Gifts	Truman	7/9/1991	6/19/2017		\$15,000.00	\$6,020.99	\$5,960.67	\$84,825.03
LS0004296	Old Crown Auto	Duluth	7/22/1991	2/22/2023		\$12,000.00	\$847.82	\$0.00	\$15,300.79
LS0005053	Finlayson Coop	Finlayson	3/26/1992	11/1/2012		\$46,000.00	\$647,488.45	\$57,855.78	\$382,796.52
LS0005087	Kabe's Conoco	Morristown	4/1/1992	4/20/2022		\$26,000.00	\$2,916.28	\$0.00	\$4,766.13
LS0005837	Jeff's Service	Greenbush	11/13/1992	10/24/2011		\$25,000.00	\$35,673.44	\$5,303.56	\$420,329.86
LS0006360	Erling R Hansen Construction	Duluth	5/27/1993	4/21/2023		\$30,000.00	\$39,328.00	\$18,460.93	\$18,460.93
LS0006655	Wisch Auto Body	Arlington	6/22/1993	4/20/2022		\$10,000.00	\$6,339.44	\$814.26	\$182,268.95
LS0007635	Grub & Pub	Foley	7/13/1994	6/20/2002		\$53,000.00	\$54,399.56	\$24,601.61	\$1,481,655.11
LS0009293	C S Service Inc	Grand Marais	5/17/1996	6/12/2023		\$1,000.00	\$54,140.35	\$40,390.47	\$1,980,033.61
LS0009885	Dick's Phillips 66 Service	Willernie	1/3/1997	12/21/2017		\$38,150.00	\$65,594.53	\$0.00	\$154,751.04
LS0011420	Polish Palace	Sobieski	6/16/1998	4/30/2007		\$86,000.00	\$51,994.10	\$22,607.76	\$1,832,715.64
LS0012009	Four Corners	Detroit Lakes	10/28/1998	7/1/2007			\$0.00	\$0.00	\$269,783.44
LS0012122	Calumet Spur	Calumet	11/17/1998	3/14/2011		\$15,000.00	\$2,298.93	\$0.00	\$1,121,972.60
LS0012435	Sturgeon River Landing	Side Lake	11/12/1998	12/11/2001		\$75,000.00	\$88,168.53	\$33,951.13	\$1,607,267.42
LS0012811	Blackduck Amoco	Blackduck	7/28/1999	6/24/2022		\$5,000.00	\$21,980.00	\$8,541.27	\$87,141.92
LS0012970	Macs Inn	Detroit Lakes	9/20/1999	8/22/2001		\$50,000.00	\$60,448.20	\$1,001.84	\$1,314,544.52
LS0013062	Trestle Stop	Inver Grove Heights	10/18/1999	12/23/2009	1/25/2024	\$40,500.00	\$23,035.65	\$22,073.49	\$1,005,057.01
LS0013173	Esselman Store	Sauk Rapids	12/2/1999	1/9/2017		\$492,500.00	\$240,786.51	\$174,535.13	\$750,666.18
LS0014494	Former Petes Garage or James Motor	Ely	10/8/2001	9/28/2023			\$27,888.39	\$0.00	\$132,471.12
LS0015381	L & L Oil Company Bulk Plant	Crookston	7/17/2003	11/25/2019		\$55,000.00	\$28,501.67	\$6,779.88	\$100,534.36
LS0016058	Jacobson Auto	Solway	4/15/2005	4/15/2005		\$30,000.00	\$34,630.99	\$7,916.39	\$1,262,555.77
LS0017341	City of Pipestone Ewert Rec Center	Pipestone	8/12/2008	6/26/2023			\$82,215.75	\$13,487.03	\$56,293.42
LS0017515	Former Central Garage	Ham Lake	1/26/2009	7/5/2016		\$19,000.00	\$9,369.59	\$2,287.94	\$370,899.11
LS0017886	Java Detour/Former Gas Station	Rochester	2/1/2010	2/1/2016		\$89,500.00	\$44,761.97	\$8,139.39	\$236,400.50
LS0018150	Former Crane Lake Resort	Crane Lake	9/21/2010	12/4/2013		\$18,500.00	\$15,374.50	\$8,241.57	\$369,335.75

FY2024 PRP Allotment Summary

2/26/2024

LS0018168	Johns Service	Alvarado	10/8/2010	11/1/2012		\$900,000.00	\$42,660.48	\$7,116.60	\$223,680.34
LS0018245	Former Don's Tire Service	Dodge Center	12/1/2010	4/18/2018		\$132,000.00	\$100,275.76	\$49,425.45	\$276,506.76
LS0018439	Kath Fuel Oil Service	North Branch	6/20/2011	2/12/2020		\$400.00	\$0.00	\$0.00	\$38,588.42
LS0018832	Former Cherry Corner Store	Iron Junction	7/19/2012	5/16/2019		\$9,500.00	\$18,317.31	\$5,555.24	\$99,794.95
LS0019066	Longville Bible Chapel	Longville	2/22/2013	12/3/2013		\$60,000.00	\$106,597.01	\$0.00	\$248,066.99
LS0019264	Dalbo Foods	Dalbo	9/25/2013	8/16/2022		\$55,000.00	\$0.00	\$0.00	\$9,114.15
LS0019469	Forbes Mobile Home Park FBS 29	Iron	5/6/2014	10/13/2022	10/24/2023	\$15,000.00	\$0.00	\$0.00	\$16,768.92
LS0019659	Exhaust Pros - Duluth	Duluth	9/19/2014	7/13/2016		\$18,000.00	\$6,188.07	\$0.00	\$124,400.26
LS0019762	Woody's Pump N Munch	Randolph	6/19/2014	6/17/2015		\$76,500.00	\$56,006.47	\$31,852.92	\$726,494.12
LS0019775	Matthees Midtown Shell/Leonard's Corner Shell	Zumbrota	3/26/2015	4/23/2019		\$24,000.00	\$23,246.86	\$0.00	\$151,140.35
LS0019823	Former TNT Gas & Deli	Bock	5/12/2015	8/16/2022		\$20,700.00	\$34,008.24	\$1,535.97	\$109,638.45
LS0019901	Former Forner Garage	Holdingford	8/20/2015	6/19/2017		\$30,000.00	\$16,356.03	\$5,530.23	\$111,241.32
LS0019996	Former Pine City Bulk Site	Pine City	12/17/2015	6/20/2016	10/24/2023	\$0.00	\$0.00	\$0.00	\$256,970.54
LS0020174	Nicholson Transportation Company	Backus	8/16/2016	1/9/2017		\$150,000.00	\$154,385.41	\$57,381.10	\$802,514.52
LS0020215	Former Skelly Gas Station	Kasson	7/21/2016	9/27/2016		\$62,000.00	\$60,521.39	\$32,599.25	\$271,600.67
LS0020289	Former Moose Lake Tire and Oil Inc	Moose Lake	12/7/2016	4/26/2017		\$561,930.00	\$751,435.22	\$698,853.56	\$1,135,784.53
LS0020363	Williams Residence	Esko	4/14/2017	2/1/2022		\$4,000.00	\$3,961.18	\$0.00	\$35,254.37
LS0020540	Former Lindert's Hardware	Norwood Young America	5/21/2017	10/31/2018		\$50,000.00	\$56,659.08	\$14,028.02	\$195,471.72
LS0020636	Columbe Residence	Duluth	2/28/2018	6/1/2021		\$4,000.00	\$3,640.74	\$0.00	\$43,646.88
LS0020703	Richard Matosich Property	Nashwauk	6/11/2018	4/20/2022		\$30,000.00	\$24,478.38	\$970.18	\$5,476.64
LS0020846	Stewartville Quick Stop	Stewartville	11/7/2018	9/26/2022		\$15,500.00	\$15,838.53	\$5,299.15	\$30,717.74
LS0020848	Former Bud's Place	Floodwood	11/15/2018	2/11/2019		\$6,500.00	\$0.00	\$0.00	\$132,234.04
LS0020849	Dean Foods North Central LLC	Thief River Falls	11/13/2018	5/12/2023		\$18,000.00	\$16,228.52	\$10,591.25	\$10,591.25
LS0020867	The Trolley Station Incorporated	Cromwell	7/25/2018	2/1/2022		\$55,000.00	\$20,299.29	\$2,764.27	\$52,459.80
LS0020878	Adjacent ROW to Tulaby Lake Inn	Waubun	11/9/2018	1/28/2020		\$12,000.00	\$18,884.48	\$0.00	\$93,973.03
LS0020907	Former Moren Service Station	Gilbert	11/14/2018	8/12/2021		\$2,000.00	\$2,151.06	\$1,960.18	\$41,372.25
LS0020930	Pollock Residence	Willmar	4/9/2019	6/5/2019		\$12,000.00	\$10,733.22	\$0.00	\$66,629.57
LS0020977	Preston Oil Products Company	Preston	5/29/2019	4/9/2020		\$100,000.00	\$53,654.77	\$13,540.35	\$155,927.58
LS0021042	Hinkley Residence	Minneapolis	7/25/2019	6/1/2021		\$1,000.00	\$729.14	\$0.00	\$22,572.86
LS0021045	Busy Corner Store	Blackduck	7/26/2019	9/19/2019		\$25,000.00	\$144,315.67	\$78,664.92	\$996,713.89
LS0021098	B & J Service	Henriette	9/10/2019	6/1/2021		\$50,000.00	\$74,038.26	\$45,641.27	\$111,346.67
LS0021131	Family First Choice Child Care	Minneapolis	10/8/2019	5/18/2023		\$30,000.00	\$41,550.58	\$24,989.35	\$24,989.35
LS0021193	Donald Harvey Property	Minneapolis	10/23/2019	1/6/2023		\$28,000.00	\$25,798.93	\$17,803.46	\$21,105.79
LS0021205	Warba Auto Service	Warba	11/6/2019	2/1/2024			\$0.00	\$0.00	
LS0021238	Deep Rock Service Station	Saint Cloud	4/8/2020	6/2/2021		\$25,000.00	\$36,701.19	\$30,613.26	\$102,729.58
LS0021393	Warden Residence	Isanti	11/27/2020	2/1/2022	12/11/2023	\$0.00	\$0.00	\$0.00	\$19,568.71
LS0021413	Sondrol Service Station	Sunburg	9/15/2020	9/2/2022		\$50,000.00	\$42,131.74	\$7,593.97	\$47,787.76
LS0021427	Hansen-Caldwell Residence	Excelsior	12/23/2020	2/2/2022			\$515.36	\$500.28	\$13,993.60
LS0021484	South Minnesota Oil Co	Pipestone	2/5/2020	8/12/2021		\$30,000.00	\$24,993.08	\$8,523.06	\$129,676.76

FY2024 PRP Allotment Summary**2/26/2024**

LS0021542	Lee's Pure Oil	Sartell	7/14/2021	5/9/2022	\$14,000.00	\$17,024.01	\$0.00	\$20,227.49
LS0021603	Fischer Residence	Morris	10/4/2021	7/20/2023		\$33,055.53		
LS0021627	Cut Face Creek Tanker Rollover	Grand Marais	10/13/2021	3/4/2022	\$73,000.00	\$182,025.69	\$15,527.82	\$58,422.88
LS0021642	Rebane Residence	Saint Louis Park	11/29/2021	12/7/2022	\$400.00	\$515.36	\$500.28	\$19,961.72
LS0021679	Complete Auto Truck Service	Brooklyn Park	1/21/2022	4/21/2023	\$30,000.00	\$28,541.15	\$21,228.00	\$21,228.00
LS0021707	Elgin C-Store	Elgin	3/28/2022	3/17/2023	\$1,430,000.00	\$260,249.31	\$54,246.70	\$54,246.70
LS0021708	Melis Residence	Saint Cloud	12/3/2021	10/18/2023		\$46,607.45	\$290.70	\$290.70
LS0021778	Kern Residence	Aitkin	8/10/2022	4/21/2023	\$30,000.00	\$66,786.32	\$38,135.98	\$38,135.98
LS0021880	Rush Property	Duluth	12/9/2022	8/3/2023	\$30,000.00	\$24,939.00	\$0.00	
LS0021973	Reynolds/Erickson Property	Roseville	5/9/2023	1/3/2024		\$24,577.67		
LS0079004	Public Water Supply Wells Assessment		3/11/1998	1/1/1900	\$16,000.00	\$100,720.93	\$0.00	\$479,266.27
LS0079007	Vapor Intrusion Studies		5/19/2004	1/1/2003	\$15,000.00	\$17,307.86	\$6,574.90	\$3,848,294.12
LS0079020	Gasoline Additive Project		6/1/2019	6/1/2019	\$500,000.00	\$480,472.81	\$90,085.58	\$984,785.39
LS0079021	Referrals to Petroleum Remediation Program		10/14/2019	10/14/2019	\$425,000.00	\$141,839.07	\$4,645.01	\$172,157.27
LS0079022	Fractionated TPH Project		6/28/2021	6/28/2021	\$140,000.00	\$221,975.16	\$50,922.64	\$203,675.12

FY2024 ER Allotment Summary
2/26/2024

Incident ID	Site ID	Site Name	City	Start date	End date	Work Order Amount	Invoice Amount	ER Lifetime Spent
	LS0021413	Sondrol Service Station	Sunburg	3/29/2023	6/30/2023	\$3,000.00	\$2,558.92	\$4,731.01
		MPCA/MDH FY24 Sampling Analysis	Minneapolis	7/1/2023	6/30/2024	\$60,000.00	\$18,756.00	
202882	LS0021707	Elgin C-Store Leak Site Emergency - July 01, 2023	Elgin	7/1/2023	12/31/2023	\$121,000.00	\$95,856.82	\$1,394,739.63
209691		31735 Highway 34 Private Well Contamination	Detroit Lakes	8/1/2023	6/30/2024	\$10,000.00	\$6,810.14	\$6,810.14
210139	LS0022071	Carroll Property	Duluth	9/8/2023	6/28/2024	\$115,000.00		
210969	LS0022106	Moss Residence Fuel Oil Spill	Karlstad	11/14/2023	6/30/2024	\$75,000.00	\$4,013.15	\$4,013.15
211140	LS0022119	Powell Property Fuel Oil Spill	Saint Cloud	12/2/2023	6/30/2024	\$100,000.00		
211399	LS0022147	Barsness Property	Brooklyn Park	1/4/2024	6/30/2024	\$25,000.00		
211477	LS0022151	Gammon Property	Rogers	1/10/2024	6/30/2024	\$15,000.00		

In Person Attendance:

Minnesota Department of Commerce
85 7th Place East, St. Paul, MN 55101
Golden Rule Building, Summit Conference Room
(Go to Front Desk on Skyway Level for escort to 5th Floor)

Remote Attendance:

This meeting can be attended remotely.
Check the Petrofund website for more information:
<https://mn.gov/commerce/business/petrofund/>



Petroleum Tank Release Compensation (Petrofund) Board Regular Meeting

D. Minnesota Department of Commerce Staff Report and Fund Report

Petrofund Reimbursement Applications Received Fiscal Years 2020 - 2024

2020	July	August	September	October	November	December	January	February	March	April	May	June	TOTAL
Total	19	19	16	22	15	27	36	26	21	15	47	25	288
Initial	12	10	8	16	9	14	21	14	14	12	29	21	180
Supplemental	7	9	8	6	6	13	15	12	7	3	18	4	108

2021	July	August	September	October	November	December	January	February	March	April	May	June	TOTAL
Total	26	30	32	16	34	28	23	31	30	25	8	19	302
Initial	16	18	27	11	25	15	10	14	21	14	6	11	188
Supplemental	10	12	5	5	9	13	13	17	9	11	2	8	114

2022	July	August	September	October	November	December	January	February	March	April	May	June	TOTAL
Total	18	11	19	25	20	15	22	26	33	25	14	18	246
Initial	9	4	15	16	10	12	12	13	19	17	7	14	148
Supplemental	9	7	4	9	10	3	10	13	14	8	7	4	98

2023	July	August	September	October	November	December	January	February	March	April	May	June	TOTAL
Total	18	22	25	28	22	25	19	28	22	24	18	29	280
Initial	9	10	16	18	8	17	11	20	11	16	11	20	167
Supplemental	9	12	9	10	14	8	8	8	11	8	7	9	113

2024	July	August	September	October	November	December	January	February	March	April	May	June	TOTAL
Total	15	19	15	14	13	19	32	35					162
Initial	9	11	11	8	8	7	17	18					89
Supplemental	6	8	4	6	5	12	15	17					73

Thru 2/27														Thru 2/27	
Fiscal Year	July	August	September	October	November	December	January	February	March	April	May	June	TOTAL		
2020	19	19	16	22	15	27	36	26	21	15	47	25	288		
2021	26	30	32	16	34	28	23	31	30	25	8	19	302		
2022	18	11	19	25	20	15	22	26	33	25	14	18	246		
2023	18	22	25	28	22	25	19	28	22	24	18	29	280		
2024	15	19	15	14	13	19	32	35					162		

Thru 2/27

Thru 2/27

Applications Approved for Payment - Fiscal Year 2024

*Approved reimbursement applications are processed bi-weekly, as well as after each Petrofund Board meeting. The actual payments are made approximately four weeks later.

Applications Approved for Payment Last Ten Years

Fiscal Year	Total Applications	Total Amount Approved
2014	378	\$3,802,578.37
2015	337	\$4,132,849.87
2016	399	\$5,025,201.42
2017	298	\$4,157,423.59
2018	315	\$4,725,189.27
2019	373	\$5,575,371.20
2020	282	\$3,935,136.84
2021	238	\$3,214,229.92
2022	214	\$2,379,126.30
2023	254	\$4,479,789.00

MEMO

Date: February 23, 2024

To: Petrofund Board

From: John Houck
Engineering Specialist Senior

RE: Abandoned UST Removal Program Update for Fiscal Year 2023 Projects

The following is a synopsis of the FY23 projects:

- 32 tanks were removed from 24 sites across the state. One additional site was found not to have any tanks.
- Pre-removal assessments were performed at four additional sites. One of the sites was found not to have any tanks, and the tanks at the other three sites were removed in FY24.
- 17 of the completed projects were single family residences with one fuel oil tank (average cost \$6,179.19).
- 9 projects were outside the Metro area.
- 14 new petroleum releases were discovered and reported.
- 12,117 gallons of product/water/sludge were recovered from the tanks before removal.
- A total of \$264,953.05 was spent on projects completed in FY23.
- The average cost for each completed FY23 tank removal project was \$11,140.24.

The Petrofund's Abandoned UST Removal Program has completed its nineteenth year. Below are the overall program statistics through June 30, 2023:

- 643 tanks have been removed from 425 sites.
- 244 sites (57%) have been single-family residences with one heating oil tank.
- New releases have been reported at 277 sites (65% of the projects).
- 274,240 gallons of liquids and tank sludge removed and disposed.
- \$2,920,455.08 has been paid out for tank removal projects through FY23.
- Average cost per completed project through FY23 - \$6,871.65.

MEMO

Date: February 23, 2024
To: Petrofund Board
From: Kelly Kangas
Subject: Petrofund Cost Recovery Information - Fiscal Year 2023

The information provided below are some statistics about the cost recovery work performed by Petrofund staff in FY 2023. Please note that some of the figures are related to cost recovery cases first reviewed in previous fiscal years.

Cost recovery cases reviewed

- Total number of cost recovery cases reviewed: 34
- Total number of cases where no cost recovery was commenced [e.g. no viable responsible person(s), financial hardship determinations, costs beyond statute of limitations, etc.]: 11

Financial hardship determinations

- Number of responsible persons who made a financial hardship claim: 13
- Number of responsible persons who made a financial hardship claim and were found to not have a financial hardship: 1

Costs recovered

- Total number of responsible persons who were sent demand letters: 7
- Total amount demanded from responsible persons: \$39,857.61
- Total number of cases where Petrofund recovered money: 5
- Total number of cases where Minnesota Department of Revenue recovered money: 1
- Total amount recovered by Petrofund and Minnesota Department of Revenue \$28,659.76 (not including amount recovered from liens)
- Total amount recovered from liens: 0
- Total number of estate claims filed: 1

If you have any questions about the information in this memo, please contact me at 651-539-1511 or kelly.kangas@state.mn.us. Thank you!

Memo

Date: February 28, 2024
To: Petrofund Board
From: Joel Fischer, Petrofund Director
Subject: Petrofund-Related Legislation

The purpose of this memo is to inform the Board of two Petrofund-related bills that have been introduced during the current legislative session.

Senate File 4097/House File 4077

- These bills include language that would amend Minn. Stat. §115C.08, Subd 2 to require the Minnesota Department of Revenue to impose the Petrofund fee within 90 days of receiving notice to do so from the Board, rather than the current requirement of 60 days.
- This legislation was proposed by the Department of Commerce.
- A copy of SF4097 is attached, with the language highlighted on page four.

Senate File 4086/House File 4013

- These bills include language that would amend Minn. Stat. §115C.04, Subds. 1 and 3 to allow tank owners/operators to no longer be considered responsible persons (RPs) for tank leaks that have occurred on properties purchased by the State on or after January 1, 2022.
- Illustration: If a state agency purchases a property and subsequently finds a tank and contamination, the State is not considered an RP, since it was unaware of the existence of the tank.
 - Under the current statute, the previous property owner(s) who owned and operated the leaking tank would be considered an RP.
 - Under the proposed legislation, the previous property owner(s) who owned and operated the leaking tank would no longer be considered an RP.
- These bills were not sponsored by the Department of Commerce or Minnesota Pollution Control Agency.
- A copy of SF4086 is attached, with the language highlighted on pages one and two.

If you have any questions or need any additional information, please let me know. Thanks.

SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION

S.F. No. 4097

(SENATE AUTHORS: KLEIN)

DATE
02/22/2024

D-PG
11710

OFFICIAL STATUS
Introduction and first reading
Referred to Commerce and Consumer Protection

- 1.1 A bill for an act
- 1.2 relating to commerce; making technical and housekeeping changes to various
- 1.3 provisions governing or administered by the Department of Commerce; amending
- 1.4 Minnesota Statutes 2022, sections 82B.021, subdivision 26; 82B.094; 82B.095,
- 1.5 subdivision 3; 82B.13, subdivision 1; 82B.19, subdivision 1; 115C.08, subdivision
- 1.6 2; Minnesota Statutes 2023 Supplement, section 53B.28, subdivision 18; repealing
- 1.7 Minnesota Statutes 2022, sections 45.014; 82B.25.
- 1.8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.9 Section 1. Minnesota Statutes 2023 Supplement, section 53B.28, subdivision 18, is amended
- 1.10 to read:
- 1.11 Subd. 18. **Money transmission.** (a) "Money transmission" means:
- 1.12 (1) selling or issuing payment instruments to a person located in this state;
- 1.13 (2) selling or issuing stored value to a person located in this state; or
- 1.14 (3) receiving money for transmission from a person located in this state.
- 1.15 (b) Money transmission includes payroll processing services. Money transmission does
- 1.16 not include the provision solely of online or telecommunications services or network access.
- 1.17 Sec. 2. Minnesota Statutes 2022, section 82B.021, subdivision 26, is amended to read:
- 1.18 Subd. 26. **Standards of professional practice.** "Standards of professional practice"
- 1.19 means the version of the uniform standards of professional appraisal practice of the
- 1.20 ~~Appraisers Appraisal~~ Standards Board of the Appraisal Foundation in effect ~~as of January~~
- 1.21 ~~1, 1991, or other version of these standards the commissioner may by order designate on~~
- 1.22 the date the appraiser signs the appraisal report.

Sec. 3. Minnesota Statutes 2022, section 82B.094, is amended to read:

82B.094 SUPERVISION OF TRAINEE REAL PROPERTY APPRAISERS.

(a) A certified residential real property appraiser or a certified general real property appraiser, in good standing, may engage a trainee real property appraiser to assist in the performance of real estate appraisals, provided that the certified residential real property appraiser or a certified general real property appraiser:

(1) has been licensed in good standing as either a certified residential real property appraiser or a certified general real property appraiser for the three-year period immediately preceding the individual's application to become a supervisor;

(2) has completed a ~~six-hour~~ course, approved in advance by the commissioner and provided by an education provider approved by the commissioner, that is specifically oriented to the requirements and responsibilities of supervisory appraisers and trainee appraisers. ~~A course approved by the commissioner for the purposes of this section must be given the course title "Minnesota Supervisor/Trainee Appraiser Course";~~

(3) has not been the subject of any license or certificate suspension or revocation or has not been prohibited from supervising activities in this state or any other state within the three years immediately preceding the individual's application to become a supervisor;

(4) has no more than three trainee real property appraisers working under supervision at any one time;

(5) actively and personally supervises the trainee real property appraiser, which includes ensuring that research of general and specific data has been adequately conducted and properly reported, application of appraisal principles and methodologies has been properly applied, that the analysis is sound and adequately reported, and that any analyses, opinions, or conclusions are adequately developed and reported so that the appraisal report is not misleading;

(6) discusses with the trainee real property appraiser any necessary and appropriate changes that are made to a report, involving any trainee appraiser, before it is transmitted to the client. Changes not discussed with the trainee real property appraiser that are made by the supervising appraiser must be provided in writing to the trainee real property appraiser upon completion of the appraisal report;

(7) accompanies the trainee real property appraiser on the inspections of the subject properties and drive-by inspections of the comparable sales on all appraisal assignments

for which the trainee will perform work until the trainee appraiser is determined to be competent, in accordance with the competency rule of USPAP for the property type;

(8) accepts full responsibility for the appraisal report by signing and certifying that the report complies with USPAP; and

(9) reviews and signs the trainee real property appraiser's appraisal report or reports or if the trainee appraiser is not signing the report, states in the appraisal the name of the trainee and scope of the trainee's significant contribution to the report.

(b) The supervising appraiser must review and sign the applicable experience log required to be kept by the trainee real property appraiser.

(c) The supervising appraiser must notify the commissioner within ten days when the supervision of a trainee real property appraiser has terminated or when the trainee appraiser is no longer under the supervision of the supervising appraiser.

(d) The supervising appraiser must maintain a separate work file for each appraisal assignment.

(e) The supervising appraiser must verify that any trainee real property appraiser that is subject to supervision is properly licensed and in good standing with the commissioner.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 4. Minnesota Statutes 2022, section 82B.095, subdivision 3, is amended to read:

Subd. 3. **Conformance to Appraisal Qualifications Board criteria.** (a) The requirements to obtain and maintain a trainee real property appraiser, licensed real property appraiser, certified residential real property appraiser, or certified general real property appraiser license are the education, examination, and experience requirements established by the Appraiser Qualifications Board of the Appraisal Foundation and published in the most recent version of the Real Property Appraiser Qualification Criteria.

(b) An applicant must complete the applicable education and experience requirements before taking the required examination.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 5. Minnesota Statutes 2022, section 82B.13, subdivision 1, is amended to read:

Subdivision 1. **Trainee real property appraiser.** As a prerequisite for licensing as a trainee real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has successfully completed a ~~six-hour~~ course that is specifically

oriented to the requirements and responsibilities of supervisory appraisers and trainee appraisers. ~~A course approved by the commissioner for the purposes of this subdivision must be given the course title "Minnesota Supervisor/Trainee Appraiser Course." This~~ The course under this subdivision must not be counted toward qualifying education to upgrade to a higher level appraiser license.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 6. Minnesota Statutes 2022, section 82B.19, subdivision 1, is amended to read:

Subdivision 1. **License renewals.** ~~(a)~~ The commissioner must determine that a licensed real estate appraiser has met the continuing education requirements of this chapter before the commissioner renews a license. This determination must be based on, for a resident appraiser, course completion records uploaded electronically in a manner prescribed by the commissioner and, for a nonresident appraiser, course completion records presented by electronic transmission or uploaded electronically in a manner prescribed by the commissioner.

~~The basic continuing education requirement for renewal of a license is the completion by the applicant either as a student or as an instructor, during the immediately preceding term of licensing, of at least 30 classroom hours of instruction in courses or seminars that have received the approval of the commissioner. Classroom hour credit must not be accepted for courses of less than two hours. As part of the continuing education requirements of this section, the commissioner must require that all real estate appraisers successfully complete the seven-hour national USPAP update course every two years. If the applicant's immediately preceding term of licensing consisted of six or more months, but fewer than 24 months, the applicant must provide evidence of completion of 15 hours of instruction during the license period. The credit hours required under this section may be credited to a person for distance education courses that meet Appraiser Qualifications Board criteria. An approved prelicense education course may be taken for continuing education credit.~~

~~(b) The 15-hour USPAP course cannot be used to satisfy the requirement to complete the seven-hour national USPAP update course every two years.~~

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 7. Minnesota Statutes 2022, section 115C.08, subdivision 2, is amended to read:

Subd. 2. **Imposing fee.** The board shall notify the commissioner of revenue if the unencumbered balance of the fund falls below \$4,000,000, and within 60 90 days after

5.1 receiving notice from the board, the commissioner of revenue shall impose the fee established
5.2 in subdivision 3 on the use of a tank for four calendar months, with payment to be submitted
5.3 with each monthly distributor tax return.

5.4 Sec. 8. **REPEALER.**

5.5 (a) Minnesota Statutes 2022, section 45.014, is repealed.

5.6 (b) Minnesota Statutes 2022, section 82B.25, is repealed.

5.7 **EFFECTIVE DATE.** Paragraph (b) is effective January 1, 2026.

45.014 SEAL OF DEPARTMENT OF COMMERCE.

The commissioner of commerce shall devise a seal for official use as the seal of the Department of Commerce. The seal must be capable of being legibly reproduced under photographic methods. A description of the seal, and a copy of it, must be filed in the Office of the Secretary of State.

82B.25 VALUATION BIAS.

Subdivision 1. **Definition.** For the purposes of this section, "valuation bias" means to explicitly, implicitly, or structurally select and apply data to an appraisal methodology or technique in a biased manner that harms a protected class, as defined by the Fair Housing Act of 1968, as amended.

Subd. 2. **Education.** A real property appraiser shall provide to the commissioner evidence of satisfactory completion of a continuing education course on the valuation bias of real property. An appraiser licensed after September 1, 2021, must complete the course required by this section prior to the appraiser's first license renewal.

SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION

S.F. No. 4086

(SENATE AUTHORS: HOWE)

DATE
02/22/2024

D-PG
11708

OFFICIAL STATUS
Introduction and first reading
Referred to Environment, Climate, and Legacy

- 1.1 A bill for an act
- 1.2 relating to environment; requiring a state agency to pay for the costs of investigating
- 1.3 petroleum releases on land owned by the agency; amending Minnesota Statutes
- 1.4 2022, section 115C.04, subdivisions 1, 3.
- 1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.6 Section 1. Minnesota Statutes 2022, section 115C.04, subdivision 1, is amended to read:
- 1.7 Subdivision 1. **Corrective action liability.** (a) A responsible person is liable for the cost
- 1.8 of the corrective action taken by the agency under section 115C.03, subdivisions 2 and 3,
- 1.9 including the cost of investigating the release and administrative and legal expenses, if:
- 1.10 (1) the responsible person has failed to take a corrective action ordered by the
- 1.11 commissioner and the agency has taken the action;
- 1.12 (2) the agency has taken corrective action in an emergency under section 115C.03,
- 1.13 subdivision 3; or
- 1.14 (3) the agency has taken corrective action because a responsible person could not be
- 1.15 identified.
- 1.16 (b) A responsible person is liable for the reimbursement paid by the Petroleum Tank
- 1.17 Release Compensation Board under section 115C.09, subdivision 3a, to the extent the
- 1.18 reimbursement is for corrective action that the responsible person could have been ordered
- 1.19 to perform under section 115C.03, subdivision 1.
- 1.20 (c) Notwithstanding paragraphs (a) and (b) or any other provision of this chapter, a
- 1.21 person is not liable for the costs of investigating a release from a tank located on real property
- 1.22 owned by a state agency.

2.1 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2022, and
2.2 applies to real property purchased by a state agency on or after that date.

2.3 Sec. 2. Minnesota Statutes 2022, section 115C.04, subdivision 3, is amended to read:

2.4 Subd. 3. **Cost recovery; subrogation.** Reasonable and necessary expenses incurred by
2.5 the agency in taking a corrective action, including costs of investigating a release,
2.6 administrative and legal expenses, and reimbursement costs described in subdivision 1,
2.7 paragraph (b), may be recovered in a civil action in district court brought by the attorney
2.8 general on behalf of the board against a responsible person. The agency's certification of
2.9 expenses is prima facie evidence that the expenses are reasonable and necessary. If the
2.10 responsible person has petroleum tank leakage or spill insurance coverage that insures
2.11 against the liability provided in this section, the board is subrogated to the rights of the
2.12 responsible person with respect to that insurance coverage, to the extent of the expenses
2.13 incurred by the agency and described in this subdivision. The board may request the attorney
2.14 general to bring an action in district court against the insurer to enforce this subrogation
2.15 right. Expenses that are recovered under this section must be deposited in the fund. The
2.16 costs of investigating a release from a tank located on real property owned by a state agency
2.17 are not recoverable under this subdivision.

2.18 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2022, and
2.19 applies to real property purchased by a state agency on or after that date.

Memo

Date: February 29, 2024
To: Petrofund Board
From: Joel Fischer, Petrofund Director
Subject: Request to approve updated Petrofund forms – Electronic Data Reporting

The purpose of this memo is to request that the Board approve an update to several of the Petrofund forms to allow for better documentation of a new consultant services task.

In November 2023, the Minnesota Pollution Control Agency's (MPCA's) Remediation Division, which includes the Petroleum Remediation Program (PRP), began requiring electronic submittals for all field and laboratory analytical data. Although this work could arguably fit within the definitions of some existing Petrofund tasks, this requirement was not anticipated by the current Petrofund rules and 'maximum costs'.

To help avoid confusion and the need for applicants and their consultants to prepare change orders in virtually every case that electronic data reporting is performed, staff is recommending that a new task called "Electronic data reporting" be added to the following Petrofund forms:

- *Excavation and Soil Disposal Oversight before the first Limited Site Investigation (LSI) or full Remedial Investigation (RI) Invoice Form*
- *Limited Site Investigation (LSI) Standard Scope Proposal and Invoice Form*
- *Limited Site Investigation (LSI) or Full Remedial Investigation Nonstandard Scope of Work Proposal and Invoice Form*
- *Consultant Services Change Order Form and Instructions for the Limited Site Investigation or Full Remedial Investigation Step*

A copy of the *Limited Site Investigation (LSI) Standard Scope Proposal and Invoice Form* with the proposed new task (highlighted) is attached for illustration purposes.

If you have any questions or need any additional information, please let me know. Thanks.

Petroleum Tank Release Cleanup Fund
Standardized Proposal and Invoice Form
Limited Site Investigation (LSI)
Standard Scope

MPCA Leak # _____

Applicant Name _____

Address _____

Leaksite Name _____

Site Address _____

Task Description	Petrofund Maximum Unit Cost	Amount Proposed	Amount Invoiced for Proposed Tasks
Administrative Tasks			
Agency status update	\$141 per field work event	\$	\$
Applicant status update [drilling]	\$761 per drilling event/see rule	\$	\$
Background review	\$821 per leak site	\$	\$
Field work notification and scheduling	\$278 per field work event/see rule	\$	\$
Health and safety plan	\$366 per leak site	\$	\$
Nonspecific administration	\$293 per step of services	\$	\$
Sample shipping and transportation	\$132 per shipping event	\$	\$
Electronic data reporting	Not applicable	\$	\$
Consultant Drilling and Excavation Activities			
Drilling oversight, field log prep, & soil sampling [25' or shallower boring]	\$220 per boring	\$	\$
Drilling oversight, field log prep, & soil sampling [boring deeper than 25']	\$10 per foot	\$	\$
Surveying & surveying equipment	\$278 per surveying event	\$	\$
Utility clearance	\$293 per utility clearance event	\$	\$
Field and Receptor Surveys			
Surface water receptor survey and risk evaluation	\$205 per leak site	\$	\$
Vapor receptor survey and risk evaluation	\$1,025 per leaksite/see rule	\$	\$
Water well receptor survey and risk evaluation	\$1,102 per leaksite/see rule	\$	\$
Sampling			
Groundwater sampling (other than permanent monitoring well)	\$52 per sampling point/see rule	\$	\$
Submissions to Agency			
Investigation report preparation (LSI only)	\$5,092/see rule	\$	\$
Travel and Per Diem			
Travel time	\$103 per hour	\$	\$
Vehicle mileage	\$0.96 a mile	\$	\$
Per diem	\$198 per day per person	\$	\$
Equipment and Field Supplies Charges (list items included in proposal below)			
	Disposable items = Cost to buy the items	\$	\$
		\$	\$
		\$	\$
	Reusable items = Lesser of purchase or rental cost	\$	\$
		\$	\$
Contractor Services Included in this Proposal			
Analytical Services	Analysis Type		
7 soil samples		\$	\$
5 groundwater samples	see Minn. Rule 2890.2900	\$	\$
3 grain size analysis	see Minn. Rule 2890.3000	\$	\$
5 soil gas samples	EPA Method TO-15, full scan	\$	\$
Drilling, Direct Push Technology			
4 push probes to 25', 1 push probe to 40', 5 push probes to 10'	\$198 / hr. < 15,000 lbs.		
Retraction Force = < 15,000 lbs. or > 15,000 lbs. (circle one)	\$293 / hr. > 15,000 lbs.	\$	\$
Push probe sealing	\$1.46 per ft.	\$	\$
Mobilization/demobilization (drilling) (0 - 50 miles one way)	\$366	\$	\$
Mobilization/demobilization (drilling) (51- 500 miles one way)	\$366 plus \$9 per mile over 50	\$	\$
Mobilization/demobilization (drilling) (over 500 miles one way)	\$3,221	\$	\$
Per diem	\$198 per day / per person	\$	\$
		Total Proposed	Amount Invoiced for Proposed Tasks
		\$	\$

Petroleum Tank Release Cleanup Fund
Standardized Proposal and Invoice Form
Limited Site Investigation (LSI)
Standard Scope

INVOICE SUMMARY (to be completed by consultant after the work has been performed)

Total amount invoiced for proposed tasks (enter amount from page 1)	\$
Total amount invoiced for tasks not proposed (enter amount associated with column A of the Change Order form)	\$
GRAND TOTAL AMOUNT INVOICED FOR WORK PERFORMED	\$

CONSULTANT

Consultant Providing Above Proposal _____		
Contact Person _____		
Phone _____		
Fax _____		
E-mail Address _____		
I hereby certify that this document accurately reflects the details specified in the RFP dated _____ and the anticipated costs for a limited site investigation, which total \$ _____. I further certify that the hourly rates to be charged for consultant services _____ WILL _____ WILL NOT exceed the maximum hourly labor rates for consultant services listed in Minn. Rule 2890.1400 [maximum hourly rates are as follows: SLP = \$190, MLP = \$141, ELP = \$103, FT = \$96, DP = \$81, WP = \$58]. If line is not marked, it is assumed to be "will not."		
X	_____	_____
Consultant Name (please print)	Consultant Signature	Date
Consultant Company	Petrofund Registration Number	

APPLICANT

This proposal must be signed and dated by the consultant.		NOTARIZATION (of applicant signature)
To accept this proposal, sign and date it in front of a notary public.		
 		Signed or attested before me this ____ day
 		of _____, 20____.
X	_____	_____
Signature of applicant indicating acceptance	Date	Notary Public
Applicant Name (please print)		[stamp]
Company		My Commission Expires _____

Petroleum Tank Release Cleanup Fund (Petrofund)

Fund Report

2/26/2024

Fiscal Year (FY) 2024

Unencumbered Balance Transferred from FY 2023	17,503,389
Cancelled Prior Year Encumbrances	977,782
MPCA Transfer Back From FY 2023	693,459

Actual Receipts as of 2/26/24

Petrofund Fee	14,005,944	
Interest on Petrofund Account	861,816	
Other Revenue	40,912	
Restitutions	0	
<i>Total Receipts</i>	14,908,672	14,908,672

<i>Total Unencumbered Balance Transferred From FY 2023 Cancelled Prior Year Encumbrances, MPCA Transfers from FY 2023 and FY 2024 Receipts</i>	34,083,301
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Operating Budget Expenditures (Pro-rated 11 months)

Commerce FY 2024

Program Administration	986,333	
Department Indirect Costs	12,051	
Attorney General's Office Interagency Agreement	14,942	
Abandoned Underground Storage Tank Removal Program	550,000	
Commerce Total Expenditures	1,563,326	

MPCA FY 2024

Program Administration	6,827,333	
Fund-Financed Project Funding	8,341,667	
MPCA Total Expenditures	15,169,000	

DEED FY 2024

Program Administration	206,250	
Grant Funding Current Fiscal Year	0	
Grant Funding Carry Forward (estimate)	14,512,196	
DEED Total Expenditures	14,718,446	

<i>Total Program Expenditures</i>	31,450,773
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<i>Available for Payment of Claims</i>	2,632,528
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Reimbursement Claims Paid During FY2024 as of 2/26/2024	1,683,762	
Reimbursement Claims Awaiting Payment in Accounting	56,787	
Reimbursement Claims Pending Staff Review (estimate)	6,064,797	
<i>Total Paid and Pending Reimbursement Claims</i>	7,805,346	

Unencumbered Balance 2/26/24	(5,172,818)
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Cash Balance 2/26/24	24,498,447
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Difference	29,671,265
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Petroleum Tank Release Cleanup Fund Statement Descriptions

Unencumbered Balance Transferred from FY [previous fiscal year]	Fund balance (see below) carried forward from previous fiscal year.
Cancelled Prior Year Encumbrances (if applicable)	Amount of encumbered funds from previous fiscal years that have been cancelled. These funds are typically related to DEED Brownfield Cleanup Grants (see below).
MPCA transfer back from FY [previous fiscal year] (if applicable)	Amount of unspent PCA fund-financed dollars transferred back to the Petrofund at the close of the previous fiscal year. PCA fund-financed dollars do not carry forward from one fiscal year to the next.
Petrofund Fee	Revenue generated by the Petrofund fee in current fiscal year.
Interest on Petrofund Account	Interest generated on Petrofund cash balance in current fiscal year.
Other Revenue and Restitutions	Miscellaneous revenues from cost recovery, tank installer training and certification fee, return of reimbursements, settlement agreements, etc..
Minnesota Department of Commerce Expenditures	
Program Administration	Amount budgeted for program administration in current fiscal year. -\$1,076,000 in FY2024
Department Indirect Costs	Amount budgeted for Petrofund portion of general Dept. of Commerce overhead. -\$13,147 in FY2024
Attorney General's Office Interagency Agreement	Amount budgeted for legal services in current fiscal year. -\$16,300 in FY2024
Abandoned Underground Storage Tank Removal Program	Amount budgeted for abandoned underground storage tank removal projects in current fiscal year. -\$600,000 in FY2024
Minnesota Pollution Control Agency (MPCA) Expenditures	
Program Administration	Amount budgeted for petroleum remediation, emergency response and tank compliance program administration in the current fiscal year. -\$7,448,000 in FY2024
Fund-Financed Project Funding	Amount approved by the Board for fund-financed work in the current fiscal year. -\$9,100,000 in FY2024
Minnesota Department of Employment and Economic Development (DEED) Expenditures	
Program Administration	Amount budgeted for grant program administration in the current fiscal year. -\$225,000 in FY2024. These funds are encumbered when requested.
Grant Funding Current Fiscal Year	Amount requested and budgeted for cleanup grants in the current fiscal year. -\$5,975,000 in FY2024. These funds are encumbered when requested.
Grant Funding Carry Forward (estimate)	Unspent and unencumbered amounts carried forward from previous fiscal year(s) for cleanup grants. -\$15,831,487 estimate in FY2024 as of this Fund Report
Reimbursement Claims Paid During FY2023 as of [date]	Actual reimbursement claims paid, to date, in the current fiscal year.
Reimbursement Claims Awaiting Payment in Accounting	Reimbursement claims that have been approved for payment by staff, but not yet processed through the state accounting system.
Reimbursement Claims Pending Staff Review (estimate)	All pending reimbursement claims, except those awaiting payment in accounting.
Unencumbered Balance	Unencumbered funds in the Petrofund account.
Cash Balance	Total funds in the Petrofund account (i.e. encumbered and unencumbered funds).
Difference	Difference between Fund Balance and Cash Balance.

In Person Attendance:

Minnesota Department of Commerce
85 7th Place East, St. Paul, MN 55101
Golden Rule Building, Summit Conference Room
(Go to Front Desk on Skyway Level for escort to 5th Floor)

Remote Attendance:

This meeting can be attended remotely.
Check the Petrofund website for more information:
<https://mn.gov/commerce/business/petrofund/>



Petroleum Tank Release Compensation (Petrofund) Board Regular Meeting

E. Minnesota Pollution Control Agency and Commerce Staff Report on Legislative Audit-Related Legislation

Memo

Date: June 29, 2023
To: Petrofund Board
From: Joel Fischer, Petrofund Director
Subject: MPCA and Commerce Staff Report on Legislative Audit-Related Legislation

The purpose of this memo is to inform you that starting with your July 12, 2023 regular meeting, MPCA and Commerce staff will be providing regular updates regarding our efforts to comply with the following legislation included in Minnesota Session Laws Chapter 60, Article 2, Section 29, which was signed into law by Governor Walz on May 24, 2023.

Sec. 29. PETROLEUM TANK RELEASE CLEANUP; REPORT.

The commissioner of the Pollution Control Agency must perform the duties under clauses (1) to (5) with respect to the petroleum tank release cleanup program governed by Minnesota Statutes, chapter 115C, and must, no later than January 15, 2025, report the results to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over environment policy and finance. The report must include any recommendations for legislation. The commissioner must:

(1) explicitly define the conditions that must be present in order for the commissioner to classify a site as posing a low potential risk to public health and the environment and ensure that all agency staff use the definition in assessing potential risks. In determining the conditions that indicate that a site poses a low risk, the commissioner must consider relevant site conditions, including but not limited to the nature of groundwater flow, soil type, and proximity of features at or near the site that could potentially become contaminated;

(2) develop guidelines to incorporate consideration of potential future uses of a contaminated property into all agency staff decisions regarding site remediation;

(3) develop scientifically based and measurable technical standards that allow the quality of the agency's performance in remediating petroleum-contaminated properties to be evaluated and conduct such evaluations periodically;

(4) in collaboration with the Petroleum Tank Release Compensation Board and the commissioner of commerce, examine whether and how to establish technical qualifications for consultants hired to remediate petroleum-contaminated properties as a strategy to improve the quality of remediation work and how agencies can share information on consultant performance; and

(5) in collaboration with the commissioner of commerce, make consultants who remediate petroleum-contaminated sites more accountable for the quality of their work by:

(i) requiring a thorough evaluation of the past performance of a contractor being considered for hire;

(ii) developing a formal system of measures and procedures by which to evaluate the work; and

(iii) sharing evaluations with the commissioner of commerce and with responsible parties.

EFFECTIVE DATE. This section is effective the day following final enactment.

This legislation is related to recommendations made by the Office of the Legislative Auditor in its February 2022 report regarding the MPCA's Petroleum Remediation Program.

If you have any questions or need any additional information, please let me know. Thanks.