• $50,000 ongoing from Highway Users Tax Distribution Fund from $25 increase in EV registration

House Environment & Natural Resources Finance Division
February 28 and March 5, 2019
MPCA Mission: Protect and improve the environment and human health
Key priorities:

• Efficiency and due diligence

• Stakeholder engagement and communication

• Statewide effort to address climate change
MPCA Organizational Structure

Six Regional Offices:
- Duluth
- Detroit Lakes
- Brainerd
- Marshall
- Mankato
- Rochester
• Established in 1967
• Medium-sized agency (about 900 FTE)
• Low turnover rate (2.5%)
• 48% women
• 70% of staff are scientists
  • Engineers
  • Hydrologists
  • Soil Scientists
  • Chemists
  • Biologists
  • Environmental Specialists
# MPCA Statutory authority

<table>
<thead>
<tr>
<th>State Laws</th>
<th>229 state laws (not including appropriations) apply to the MPCA and direct program operations.</th>
</tr>
</thead>
</table>
| Delegated authority for federal laws (US EPA): | - Air programs: Outdoor air monitoring, permitting, air toxics, compliance & enforcement, regional haze, rules, etc.  
- Water programs: Monitoring, permitting, TMDL, enforcement and compliance, stormwater, feedlot, etc.  
- Land programs: Solid waste, hazardous waste monitoring & enforcement, Resource Conservation and Recovery Act (RCRA), etc. |
MPCA Organizational Structure

Commissioner’s Office

- Remediation
- Watershed
- Operations
- Environmental Analysis & Outcomes
- Resource Management & Assistance
- Industrial
- Municipal
Budget Priorities

Budget for One Minnesota

- Education
- Health Care
- Community Prosperity
## FY 2020-2021 Governor’s Recommendations

<table>
<thead>
<tr>
<th>Budget Initiative</th>
<th>General Fund</th>
<th>Environmental Fund</th>
<th>Remediation Fund</th>
<th>CLIF</th>
<th>Other Misc</th>
<th>Clean Water</th>
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<tr>
<td>Business Friendly Data Services</td>
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<tr>
<td>St. Louis River Area of Concern</td>
<td></td>
<td>484</td>
<td></td>
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<tr>
<td>Climate Outreach and Engagement</td>
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<td>EIS for Karst Groundwater Contaminants</td>
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<td>Vapor Intrusion and Contaminants of Emerging Concern</td>
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<td>1,210</td>
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<tr>
<td>Streamlined Water Policy and Permitting</td>
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<tr>
<td>Electric Vehicle Infrastructure</td>
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<td>Food Waste Reduction</td>
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<td>Recycling Market Development</td>
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<td>Air Appropriation Increase</td>
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<td>Extend Availability of Freeway Landfill Appropriation</td>
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<td>1,622</td>
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<td>Extension of PFA Assistance Appropriation</td>
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<td>Clean Water Fund Request</td>
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<td>Legal Costs</td>
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<td>Railroad and Pipeline Safety Assessment Reinstatement</td>
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<td><strong>TOTAL</strong></td>
<td>6,888</td>
<td>4,702</td>
<td>1,210</td>
<td>1,622</td>
<td>600</td>
<td>46,910</td>
</tr>
</tbody>
</table>
Business-friendly data services

- Accelerate placement of our 400+ applications and services online
- Benefits permit holders, city staff, citizens, consultants, regulated parties
- MPCA receives average 525 data requests per month
- Online services save time and money
- Maintain 2 FTE and add 2 FTE
- $800,000 / year / ongoing
- Environmental Fund
St. Louis River Area of Concern

- Continue to leverage $47.2 M federal funding (GLRI)
- Maintains 4 FTE for cleanup at 10 sites
- Coordination, technical analysis, project management
- Maintains 4 FTE
- $484,000 / Env Fund / FY21
- Tails: $363,000 / year in the FY22-23 biennium
Climate outreach and engagement

- A series of public meetings statewide
- Communities, businesses, youth, state & local government leaders, NGOs
- Goal: Act strategically on climate change:
  - build on successes,
  - understand local needs,
  - forge a green economy
- $250,000 FY20 only / 0.5 FTE
- General Fund
Environmental Impact Statement for karst groundwater contamination

- Karst Region is geo-sensitive for water quality
- MDA’s Township Testing Program: Many private wells above health limit for nitrate
- This study will inform project review going forward
- NOT a permit moratorium
- EQB and other state agencies involved
- 0.75 FTE at MPCA; 1 FTE at EQB
- $2 million / GF / FY20 only
Vapor intrusion and contaminants of emerging concern

- Accelerate review statewide for vapor intrusion and groundwater contamination at:
  - 2,055 closed Superfund sites
  - 110 closed landfill sites – PFAS, etc.
- Moves completion at Superfund sites to FY28 (instead of current FY61)
- 5 new FTE (3 for Superfund, 2 for closed landfill)
- $605,000/year from Remediation Fund
Streamlined water policy and permitting

Based on work of 2018 Water Fee Advisory committee:

- Water fees = at least 30% agency costs
- 4-year phase in of new water fees
- Except: 6 year phase in for feedlot fees
- Tie city stormwater fee to population
- Authorizes MPCA to spend funds from fee increases
- Extends thru 2021 technical assistance funding appropriated in 2017 for PFA projects
- 1.8 FTE in FY20; 3 FTE cumulative end of biennium
- $223,000 in FY21 and $448,000 in FY22
- Environmental Fund
Electric vehicle infrastructure

- Accelerate placement of EV infrastructure statewide
- Both Fast and Level 2 charging stations
- Meets strong demand for EV chargers
- ZERO FTE - dollars added to existing program
- $1.5 million General Fund FY20 one-time
- $50,000 ongoing from Highway Users Tax Distribution Fund from $25 increase in EV registration
Food Waste Reduction

- Food waste is 30% of our waste stream
- Proposal will divert food waste away from landfills by:
  - New food rescue (both retail and prepared food) & food waste prevention grants
  - Remove barriers to expanding organics recycling programs (e.g. addressing PFAS)
  - Analysis of emerging technologies (e.g. anaerobic digestion)
- 0.5 FTE
- $750,000 / year / ongoing
- General Fund
Recycling market development

- Grants to develop new value-added and other businesses to spur growth in recycling markets
  - Match to be required
  - Pay for costs that banks and lenders generally don’t cover
- Zero FTE
- $400,000 / year/ ongoing
- Environmental Fund
Air appropriation increase

- Federal Clean Air Act requirement since 1990s
- Air emissions fees must cover the cost of issuing permits
- Each biennium, inflationary increase in costs must be authorized
- Maintains existing levels of service in air program
- $258,000 in FY20
- $516,000 in FY 21
- Environmental Fund
Extend availability of Freeway Landfill appropriation

- Extends the availability of a 2017 $3 million appropriation from June 30, 2019 through FY21.
- Needed due to delays at site
- Funds used for feasibility studies, engineering, design
- Funding request for cleanup anticipated in 2020 Session
Extension of PFA assistance appropriation

- Extends a 2016 appropriation for $486,000 through FY 21.
- Currently, these funds cancel on June 30 2019.
- Funds provide technical assistance and review of municipal water infrastructure projects
- Additional work needed to get new, higher level of PFA bonding out the door
Legal costs/Railroad & Pipeline Safety Assessment

- Two transfers from other agencies
- $1,638 million from DNR for legal costs related to defending NorthMet, etc., permits
- $500,000 from DPS to carry out duties under Chapter 115E related to emergency preparedness and response activities
Questions?

Minnesota Pollution Control Agency
<table>
<thead>
<tr>
<th></th>
<th>FY2018-FY2019</th>
<th>FY2020-2021</th>
<th>Change as $$$</th>
<th>Change as %</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>14.5</td>
<td>20.3</td>
<td>5.8</td>
<td>40.0%</td>
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<tr>
<td>Clean Water</td>
<td>52.2</td>
<td>46.9</td>
<td>(5.3)</td>
<td>(10.2%)</td>
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<tr>
<td>Environmental Remediation</td>
<td>166.1</td>
<td>170.4</td>
<td>4.3</td>
<td>2.6%</td>
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<tr>
<td>Remediation</td>
<td>218.1</td>
<td>343.5</td>
<td>125.4</td>
<td>57.5%</td>
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<tr>
<td>Federal</td>
<td>40.6</td>
<td>44.7</td>
<td>4.1</td>
<td>10.1%</td>
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<tr>
<td>Special Revenue</td>
<td>60.7</td>
<td>59.7</td>
<td>(1)</td>
<td>(1.6%)</td>
</tr>
<tr>
<td>Closed Landfill Investment</td>
<td>1.4</td>
<td>5.2</td>
<td>3.8</td>
<td>271.4%</td>
</tr>
<tr>
<td>Other</td>
<td>45.3</td>
<td>36.4</td>
<td>(8.9)</td>
<td>(19.6%)</td>
</tr>
<tr>
<td><strong>Total Recommendation</strong></td>
<td><strong>598.9</strong></td>
<td><strong>727.1</strong></td>
<td><strong>128.2</strong></td>
<td><strong>21.4%</strong></td>
</tr>
<tr>
<td><strong>Total of settlements and appropr extensions</strong></td>
<td>(160.4)</td>
<td>(285.6)</td>
<td>(125.2)</td>
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</tr>
<tr>
<td><strong>Agency Total without settlements and appr extensions</strong></td>
<td>438.5</td>
<td>441.5</td>
<td>3.0</td>
<td>0.7%</td>
</tr>
</tbody>
</table>
FY20-21 Recommended Budget by fund: $727.1M

- **Remediation**: $343.5M (47%)
- **Environmental**: $170.4M (23%)
- **Clean Water**: $46.9M (7%)
- **General**: $20.3M (3%)
- **Federal**: $44.7M (6%)
- **Special Revenue**: $59.7M (8%)
- **Other**: $36.4M (5%)
- **Closed Landfill Investment**: $5.2M (1%)

Includes $280.5M of 3M Settlement
Includes $15.6M of VW Settlement
Tax on garbage is the largest source of revenue, 63% of total receipts.
FY 20-21 Environmental Fund expenditures: $210M

- **Resource Mgmt. and Assistance**: $71.9 M, 34%
- **Watershed**: $14.9 M, 7%
- **Environmental Quality Board**: $0.4 M, 0%
- **Other State Agencies**: $2.6 M, 1%
- **Remediation**: $1.9 M, 1%
- **Operations**: $10.6 M, 5%
- **Municipal**: $15.3 M, 7%
- **Industrial**: $28.3 M, 13%
- **Env Analysis and Outcomes**: $23.9 M, 11%
- **Transfer to Remediation Fund**: $40.0 M, 19%
FY 20-21 Remediation Fund receipts: $352.1M

- Water Quality and Sustainability Account (3M Settlement) and Interest, $278.0 M, 79%
- Transfer from Environmental Fund, $40.0 M, 11%
- Transfer from Petroleum Fund, $23.3 M, 7%
- DNR Natural Resource Damages, $2.5 M, 1%
- Penalties, $0.2 M, 0%
- Dry Cleaner Fees, $1.3 M, 0%
- Metro Landfill Abatement Fee, $3.0 M, 1%
- Fees, Cost Recovery, Other, $3.7 M, 1%
FY 20-21 Remediation Fund expenditures: $362.3M

- Dept. of Agriculture, $3.9 M, 1%
- Dept. of Employ. & Econ. Dev., $1.4 M, 0%
- Dry Cleaner, $1.3 M, 0%
- Dept. of Health, $.5 M, 0%
- Attorney General, $.5 M, 0%
- MPCA Land Programs, $71.7 M, 20%
- Dept. of Natural Resources, $15 M, 4%
- 3M Settlement, $268.0 M, 74%
FY 2020-21 proposed budget by division: $727.1M

- Environmental Analysis and Outcomes Division: $52.5M 7%
- Industrial Division: $38.2M 5%
- Municipal Division: $32.1M 4%
- Operations Division: $77.3M 11%
- Remediation Division: $356.1M 49%
- Resource Management and Assistance Division: $108.8M 15%
- Watershed Division: $59.6M 8%
- Environmental Quality Board: $2.5M
MPCA Organizational Structure

Commissioner’s Office

- Remediation
- Watershed
- Operations
- Environmental Analysis & Outcomes
- Resource Management & Assistance
- Industrial
- Municipal
Remediation Division

- **Cleanups:** Investigate, mitigate risk, and clean up and/or provide long-term care for contaminated properties:
  - Carry out these activities when there is no viable responsible party
  - Coordinate St. Louis River Area of Concern cleanup project

- **Brownfields:** Oversee and assist in safe redevelopment and reuse of contaminated properties by third parties

- **Closed Landfills:** Manage 110 closed landfill sites statewide to protect against and mitigate water contamination and gas explosion risks

- **Emergency Response:** Protect Minnesotans from hazards caused by spills and assist with natural disaster recovery efforts
Watershed Division

• Build local capacity to restore and improve the environment
  • Work with local partners to develop Watershed Restoration and Protection Strategies (WRAPS), including Total Maximum Daily Loads (TMDLs)
  • Jointly oversee management of Feedlots with County Feedlot Officers
• Programs and services are managed and delivered through regional offices
Operations Division

• Manages resources (people, dollars, and knowledge) to meet the agency's priorities

• Provides continuous improvement support for the agency

• Provide services that benefit all agency programs, including fiscal & contracting, human resources, data management, emergency response management, facilities & fleet, communications.
• Monitors and evaluates the quality of Minnesota’s lakes, streams, groundwater and air

• Identifies environmental threats and impacts

• Helps set environmental goals, establish standards, and measure progress

• Performs risk assessments, air modeling, and effluent limit reviews to support regulatory programs

• Helps ensure the quality and availability of agency, permittee and partner-collected data
Environmental Analysis and Outcomes Division funding

<table>
<thead>
<tr>
<th></th>
<th>FY2018-2019</th>
<th>FY2020-2021</th>
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<tbody>
<tr>
<td>General</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>Clean Water</td>
<td>$0</td>
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<tr>
<td>Environmental</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>Remediation</td>
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<td>$0</td>
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<tr>
<td>Special Revenue</td>
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<td>$0</td>
</tr>
<tr>
<td>Other</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

Note: The diagram shows the distribution of funding in millions for the fiscal years 2018-2019 and 2020-2021.
Resource Management and Assistance Division

• Regulating and managing solid waste

• Prevent or minimize negative impacts of citizens’ actions on public health and the environment in a way that benefits the environment, economy and society

• Offering a wide array of tools and resources to businesses, citizens, permittees, governments and other partners to prevent, manage and clean up pollution from waste
Resource Management and Assistance Division funding

FY2018-2019

FY2020-2021

Millions

- $120
- $100
- $80
- $60
- $40
- $20
- $-

- General
- Clean Water
- Environmental
- Remediation
- Federal
- Special Revenue
- Other
Industrial Division

• Provides core regulatory services for industrial facilities in the air and water quality, hazardous waste, and petroleum storage tank programs

• Supports jobs and economic growth state-wide while ensuring environmental protection
Industrial Division funding

FY2018-2019

Millions

FY2020-2021

General  Environmental  Remediation  Federal  Special Revenue  Other
Municipal Division

• Wastewater treatment facility permitting, inspections, technical assistance, and enforcement

• Review, approval, and prioritization of proposed wastewater treatment construction projects for funding through the Public Facilities Authority

• Strengthening local septic system programs through general financial support, training and certification programs, technical assistance, enforcement referral, and low income “fix-up” grants

• Municipal and construction stormwater permitting, inspections, technical assistance, and enforcement including an accelerated outreach program for newly permitted municipalities and those regulated through a TMDL

• Stormwater Manual/Wiki operation and updating (>7M hits since 4/2/13)
Questions?

Minnesota Pollution Control Agency
Environmental Quality Board

Will Seuffert, Executive Director
**Mission:** To enhance Minnesota’s environmental quality for current and future generations by leading interagency work to advance meaningful public engagement and facilitate informed decision-making on critical environmental issues.

**Membership:** 9 state agency heads and 8 citizens representing each Congressional District

**Leadership:** MPCA Commissioner Bishop, rotating assignment

**Authority:** 116C, 116D, 116G, 103A/103B
General Fund $2.162 M, Environmental Fund $0.386 M, Total $2.548 M

2018-19 Initiatives

- Environmental Review Oversight and Program Improvement: Rulemaking
- Governor’s Task Force on Wild Rice (E.O. 18-08, 18-09)
- Interagency Pollinator Initiative (E.O. 16-07)
- 25% by 2025 Public Engagement Process
- Energy and Environment Report Card
- Interagency coordination on climate change mitigation and adaptation
- Emerald Ash Borer Interagency Team
2020-21 Initiatives

• Generic Environmental Impact Statement
• Environmental Congress: Fall 2019
• State Water Plan: Fall 2020
• Climate Change Planning and Engagement
• Environmental Review Oversight and Program Improvement: Rulemaking
• Continued support of ongoing initiatives
• General Fund $2.162 M
• Environmental Fund $0.386 M
• Total $2.548 M
The End
Questions?

Minnesota Pollution Control Agency