



3 0307 00062 9314

**Pollution
Control
Agency**

1998 SUPERFUND

TD1042
M6
S87
1998

990248

This document is made available electronically by the Minnesota Legislative Reference Library as part of an ongoing digital archiving project. <http://www.leg.state.mn.us/lrl/lrl.asp>



Minnesota Superfund Annual Report

Each year, the Minnesota Pollution Control Agency (MPCA) and the Minnesota Department of Agriculture (MDA) prepare an annual report on the Minnesota Superfund Program. The Superfund Program developed from a series of far-sighted state and federal laws enacted to protect public health and the environment by identifying and cleaning up old contaminated sites where past disposal practices have resulted in present-day harm. Among those laws:

- The Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) of 1980, the federal Superfund law, which established a process and funding to undertake the then-staggering task of cleaning up the unwanted remains of the United States' industrial past.
- The Minnesota Environmental Response and Liability Act (MERLA) of 1983, the progressive state version of Superfund, which provides a way to address sites not covered by federal law.
- The Minnesota Comprehensive Ground Water Protection Act of 1989, which allows the MDA to access Superfund authorities and resources for sites involving agricultural chemicals.
- The 1992 Land Recycling Act, which allows parties who voluntarily clean up old sites to receive legal assurances protecting them from state Superfund liability, stimulating redevelopment of contaminated land that otherwise might stand unused for years.
- The 1994 Landfill Cleanup Act, landmark legislation that removed old, leaking landfills from the Superfund program in order to clean them up more effectively and efficiently at lesser cost.

In 1998, the Minnesota Legislature fine-tuned the state program by establishing more flexibility for agencies negotiating with responsible or voluntary parties. The following changes allow the MPCA and MDA to develop unique cleanup strategies for unique circumstances, tailoring the process to achieve better outcomes for Minnesota communities:

- The state Superfund now can be used in concert with responsible party funding to defray some costs at sites where there is an "orphan share," the portion of the problem contributed by businesses that cannot pay for the cleanup. This helps assure that investigation and cleanup costs are fairly distributed.
- Enhancements have been provided to the Drycleaner Fund, a funding source resulting from a government-industry partnership used to defray clean-up costs at old drycleaning sites.
- The increasing desire of communities to participate in decision-making at clean-up sites has been reflected in a community notification requirement in the law.
- the exciting movement toward redeveloping contaminated properties continues, with substantial new funding options for the investigation and cleanup of "brownfields."

This report summarizes the fiscal year 1998 (FY 1998) achievements and challenges of cleaning up contaminated land, outlines how fund dollars have been spent on behalf of Minnesota communities, and describes changes in both state and federal approaches to cleanup.

FY 1998 SUPERFUND

Superfund Responsibilities

In 1998, the state and federal Superfund laws applied to a number of different types of contaminated sites, including:

- 126 state Superfund sites, which are high-priority sites, based on public health or environmental risk;
- 26 federal Superfund sites (also a subset of the state sites), which the U. S. Environmental Protection Agency (USEPA) considers high priority for cleanup;
- 4 sites with agricultural chemical contamination (another subset of state sites), which the MDA considers high priority for cleanup;
- 1,040 MPCA Voluntary Investigation and Cleanup (VIC) sites and 81 MDA Voluntary Cleanup and Technical Assistance Program (VCTAP) sites, which are being investigated and/or cleaned up under the 1992 Land Recycling Act;
- an estimated 3,000 potential sites currently being confirmed in a county-by-county effort to identify the universe of possible contaminated properties;
- 615 file evaluations, which include reviews of lists, maps or databases for people seeking potential contamination problems associated with specific locations or planning a preliminary investigation of property; and
- 59 emergencies, including chemical leaks, spills or accidents, as well as 410 abandoned barrels or containers.

Responding to Emergency Situations

Superfund dollars often are used to respond to emergency situations involving hazardous substances.

Among the types of emergencies for which Superfund is used are tank or pipeline leaks or spills; train, truck or tank accidents; abandoned drums; drinking-water contamination; and other incidents in which chemicals pose a health or environmental threat. Tornados posed a particular challenge in 1998, and MPCA and MDA mounted an all-out effort to clean up overturned tanks, deal with basements filled with fuel oil, and meet other critical needs.

The Emergency Response Units of the MPCA and MDA are on call 24 hours a day, seven days a week to respond to emergency situations. In 1998, MPCA and MDA responded to 59 declared emergencies, and recovered 410 containers of illegally dumped substances. The MPCA spent \$234,111 and MDA \$7,483 from the state Superfund to respond to these emergencies.



Intergovernmental Cooperation and Emergency Response in Minneapolis

Arsenic, mercury, cyanide and low-level radioactive waste were discovered when the wife of a Minneapolis professor asked for help cleaning up a home-based lab after her husband's death. The MPCA, City of Minneapolis, and Hennepin County swung into action to safely remove the chemicals, defray the cost of disposal, and notify neighbors in a door-to-door sweep.

When the house itself was found to be contaminated and unlivable, the U.S. Environmental Protection Agency's Emergency Response staff arrived to complete a thorough decontamination of the property, soil sampling, air quality monitoring and community involvement. The Minnesota Department of Health performed a health consultation and, within weeks, the professor's widow could safely return home.

Discovering and Assessing Sites

The Superfund program establishes a process allowing MPCA and MDA to discover, investigate, prioritize and list known or suspected sites. Sites are discovered through reports from citizens, discovery during excavation or development, routine environmental audits, and other methods. Newly discovered sites:

- can be investigated with federal dollars; more than 400 initial site reviews were completed in 1998;
- can be referred to the voluntary investigation and cleanup programs at MPCA and MDA; or
- can be referred to the state or federal Superfund programs.

In 1997 and 1998, the MPCA launched a major initiative to define how many cleanup sites Minnesota will face in the future. When the federal and state Superfund programs were enacted in the early 1980s, regulators thought that the number of polluted sites was limited and that cleanup would be achieved within ten years. Almost 20 years later, recognition has dawned that decades of past improper waste disposal have left a legacy that will be with us for many years.

Only now, when sites where cleanup once seemed an impossible goal are reaching the end of the pipeline — the Arrowhead Refinery in the Duluth area, Reilly Tar and Chemical in St. Louis Park, and the Twin Cities Army Ammunition Plant in Arden Hills and New Brighton — that the MPCA has undertaken an effort to find and assess not only the large facilities that clearly needed major efforts, but the sites found in every community where past disposal threatens the health, environment or economic viability of Minnesota citizens. It is now the old municipal dumps, former gas manufacturing plants, defunct drycleaning operations, and other “sites next door” where the agency is turning its attention. Many of these sites are entering cleanup through voluntary programs; others are being sought and prioritized through this major assessment effort.

With 126 sites in the state Superfund program and more than 1,000 in the VIC Program, it's clear that Minnesota has a stronger grasp on its cleanup responsibilities than most states. However, it is estimated by the assessment team that there are still 3,000 sites in Minnesota with possible contamination. Many of these sites will require little or no effort, others will require all the state's ingenuity and resources to resolve. One category of site, the former open dumps, will be the focus of legislative study in the 1999 session, and the wide geographic distribution of these sites, the uncertainty about their contents, and the difficulty in determining responsibility for remediation, will pose major challenges for the future.

Risk Based Evaluation

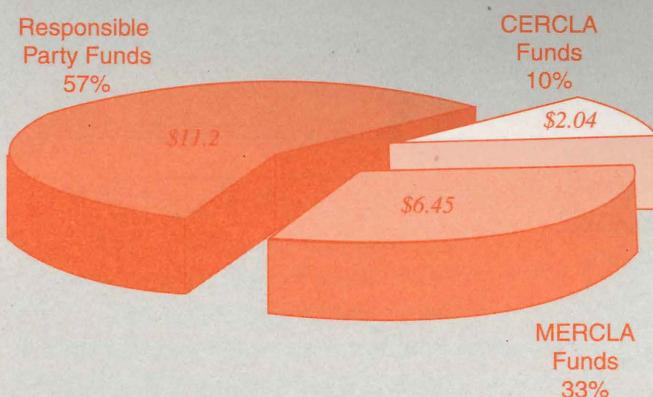
In 1998, the MPCA launched a draft guidance manual for staff, consultants, businesses and others who want to assess sites and develop cleanup options using an approach that focuses on the risk posed to public health and the environment and on how the land will be used in the future.

Among topics covered: determining soil cleanup goals, dealing with the ground water and surface water interface, land-use considerations, community involvement and more. For copies of the guidance drafts, call the MPCA at (800) 657-3864.

ANNUAL REPORT

FY 1998 SUPERFUND

FY 1998 Site Cleanup Expenditures (in Millions)



\$11.20 million (or an estimated 57 percent of the total) was funded by responsible parties. (This does not include sites in the voluntary programs.) Since the beginning of the state Superfund program, approximately 79 percent of site investigations and cleanups have been financed by responsible parties. This reflects the state Superfund program's commitment to first encourage parties responsible for site contamination to work cooperatively with the MPCA or MDA on investigation and cleanup work.

State and federal Superfund dollars are used to select the site remedy and oversee investigation and cleanup work by responsible parties. If the MPCA or MDA cannot identify responsible parties, or if those parties are unable or unwilling to pay for site activities, state and federal funds are used to complete work and, if appropriate, recover agencies' costs upon completion of the work.

Federal funds pay for activities at National Priority List sites, studies and pilot programs, staff training, and other management activities. The state Superfund pays for site investigation and cleanup, as well as the required 10 percent state match for federal dollars coming into Minnesota to manage and clean up National Priority List sites. In FY 1998, \$6.45 million from the state Superfund and \$2.04 million in federal funds were used for cleanup activities.

Voluntary Cleanup Approaches

The MPCA and MDA provide technical assistance and legal assurances to voluntary parties who agree to investigate and/or clean up contaminated sites. Minnesota was one of the first states to establish a voluntary cleanup program, and the MPCA VIC Program has received national attention and become a model for other states. The legal assurances provided by the VIC and VCTAP Programs give potential buyers,



Award Winner: The Quarry

For more than 25 years, a 42-acre former limestone quarry in Northeast Minneapolis was littered with vehicles and debris and contaminated with coal slag, PCBs, petroleum, asbestos and demolition waste. Today, The Quarry is an attractive shopping center hosting businesses long sought by the community. The MPCA VIC Program worked with the City of Minneapolis, Minneapolis Community Development Agency,

Ryan Construction, and consultants to clean up and redevelop the site, using brownfield funding appropriated by the Legislature. The effort produced 1,500 new jobs and won a Phoenix Award, a national award of distinction for brownfield redevelopment.

sellers or developers of property the security that they will not have to take on others' liabilities. This allows land-use plans to move forward, bringing jobs and an improved tax base into communities otherwise burdened with unusable sites.

Since 1988, 1090 sites have entered MPCA's VIC Program and 120 joined the VCTAP. Of these, 720 VIC and 39 VCTAP sites have been cleaned up or found acceptable for property transfer. Currently, an average of five new sites enter the VIC Program weekly. In 1998, 195 sites were enrolled for VIC services and 34 for VCTAP.

MPCA and USEPA have signed a Memorandum of Agreement that allows the state to review and approve investigations and cleanups with the assurance that USEPA will not seek further action on state decisions. The MPCA also received program funding for "brownfields" work for sites in areas of the Twin Cities. (Brownfields are underused properties that remain undeveloped because of known or suspected environmental problems.)

The MPCA, Minnesota Environmental Initiative, and the Minnesota Department of Trade and Economic Development have prepared "The Minnesota Brownfields Resource Guide," available on the MPCA's web site, to alert local governments, development agencies and developers to the growing number of resources available for cleaning up contaminated properties. In addition, outreach to Greater Minnesota areas commenced in 1998, with a goal toward expanding the environmental and economic benefits of brownfield redevelopment to all parts of the state.

Property Transfer File Evaluation

The Property Transfer File Evaluation Program provides information from the files and databases of the agency regarding the proximity of waste sites to property interested parties own or plan to buy or develop. In FY 1998, the MPCA performed 615 routine evaluations of data lists, maps or databases for customers outside the agency. Program staff are undertaking efforts to place the various databases on the agency web site, making them accessible to the public.

Superfund Legal Issues

The Minnesota Attorney General's Office works in partnership with the MPCA and MDA on legal issues that are key to the continued effectiveness of the law. In 1998, actions included amending the state Superfund law to clarify the statute of limitations on cost recovery, defending the MPCA's and MDA's abilities to use orphan shares to move cleanups forward, and supporting the constitutionality of the contamination tax.

Public Information and Community Involvement

With the change in MPCA organization has come a new community relations approach, promising to extend greater public involvement into all agency cleanup activities. The focus of this new approach has been community involvement guidelines and training, fostering greater awareness and expertise in MPCA staff dealing with the public's growing demand for participation in site activities. The MPCA's public information staff launched "Getting the Word Out," an agency-wide communication planning effort for staff, as well as public involvement guidelines that will provide MPCA staff, as well as voluntary and responsible parties, with tools to work responsibly with all stakeholders in cleanup processes.

RECEIVED
MAR 23 1999
LEGISLATIVE REFERENCE LIBRARY
STATE OFFICE BUILDING
ST. PAUL, MINN 55101

ANNUAL REPORT

FY 1998 SUPERFUND

The development of community advisory groups has taken place at sites with high public interest, and the agency's new district and regional offices have become the location of both service delivery and community involvement. The "Superfund Quarterly" newsletter took on new life and purpose in 1998 as well, and its successor, "Land Recycling," takes a broader approach to informing key stakeholders about developments and initiatives to clean up contaminated land.

Working with the MPCA Public Information Office and MDA Office of Communication, cleanup program staff are developing new ways to make policy and site information available to the public on the internet at <<http://www.pca.state.mn.us>> (MPCA) and <<http://www.mda.state.mn.us>> (MDA).

New Structure Provides Coordinated Approach to Cleanup

The MPCA restructured its operations in August 1998, and the new structure promises to achieve greater integration among cleanup programs such as Superfund and VIC and other agency programs and services. The geographic approach selected by the agency will eventually decentralize cleanup expertise and effort by housing in each district — Metro, North, and South — a Remediation Section that will deal with Superfund, VIC, petroleum leaks and spills, Resource Conservation and Recovery Act (RCRA) cleanup sites, and site assessments.

While the law draws distinctions among sites that fall into these various cleanup programs, in reality methods of addressing the types of soil, ground water and surface water contamination resulting from current or past industrial practices have many similarities. By combining program staff into remediation groups, soil scientists, hydrogeologists, risk assessors, and project leaders share successful techniques and innovative approaches, an exchange that benefits both voluntary or responsible parties and the public. In addition, facilities that deal with all of these remediation programs can now work with a staff team that can ensure consistency, quality control and reduced duplication of effort and expense.

The clean-up crew: How to find assistance in the new MPCA

Looking for cleanup assistance? Here are primary contacts for information about MPCA cleanup programs.

Remediation, Metro District

- Michael Kanner, Manager (651) 297-8564

Supervisors

- Doug Day, Closed Landfill Program. (651) 297-1780
- Steve Lee, Emergency Response. (651) 297-8610
- Richard Newquist, LUST, (651) 297-8583
- Bruce Brott, Superfund/RCRA, (651) 297-8380
- Barb Jackson, Superfund/RCRA, (651) 296-7212
- Greg Ruff, VIC Program, (651) 297-8609

Remediation, North District

- Don Milless, Brainerd and Detroit Lakes, (218) 828-6117
- Doug Beckwith, Duluth, (651) 296-8498

Remediation, South District

- Doug Wetzstein, Rochester and Marshall, (651) 296-7277

Remediation Policy and Planning

- Mark Schmitt, (651) 297-8574

Superfund and VIC Public Information, "Land Recycling" Newsletter

- Stacy Casey, Metro, (651) 296-7769

Creative thinking in site remediation, which might involve a combination of Superfund enforcement, petroleum tank leak reimbursement, and brownfield redevelopment funding appropriated by the Minnesota Legislature, will be much enhanced by breakdown of artificial boundaries among cleanup programs. Partnerships among responsible or voluntary parties, local government entities, development interests, and state agencies already have generated progress in sites formerly considered unusable. Among sites where flexibility has spurred investigation and cleanup are the MacGillis and Gibbs site in New Brighton, Dealers Manufacturing in Fridley, and Doc's Auto Salvage in Minneapolis.

Drycleaner Fund

The Drycleaner Environmental Response and Reimbursement Law, passed during the 1995 legislative session and amended in 1996 and '97, provides an additional funding mechanism to clean up sites contaminated by drycleaning operations. Minnesota's drycleaning industry pays into the account to assist those investigating and cleaning up consumer drycleaning operations under the auspices of the VIC or Superfund programs. During fiscal year 1998, \$61,446 was expended from the account for response actions at the Pilgrim Cleaners site in Brooklyn Center and the Littlefork Ground Water Contamination Site in Koochiching County.

Harmful Substances Compensation Fund

The Harmful Substance Compensation Act assists individuals who sustain personal injury or property damage from exposure to harmful substances. During 1998, one property claim was received and is being reviewed. In addition, the Fund covered \$2,269 in maintenance costs for carbon treatment systems for residential drinking water wells near the Baytown/Lake Elmo Airport site.

Small Business Environmental Improvement Loan

In 1998, two MPCA loan programs merged to create the Small Business Environmental Improvement Loan Program, which received \$499,000 from MERLA to help establish this revolving loan account. The program can help small businesses carry out cleanup responsibilities and restore property value lost due to land contamination.

Pollution Prevention and Sustainability

The MPCA has embarked upon a project, funded by the USEPA, to develop policies and guidelines for integrating pollution prevention and sustainable initiatives into agency cleanup processes at Superfund, voluntary cleanup and brownfield sites. This effort will examine everything from minimizing capture zones for pump-out systems to conserve water, to replacing feedstocks with less toxic alternatives in ongoing manufacturing operations, to promoting the use of "green building" materials at redevelopment sites.



The policy development effort will be a cooperative one involving a wide variety of stakeholders. With the practical experience of industry and the cleanup and pollution-prevention expertise of various groups, the agency hopes to identify goals, methods to leverage resources, and incentives for responsible or voluntary parties to seize upon cleanup actions as opportunities that may help operations achieve cost-savings and enhance environmental protection.

ANNUAL REPORT

Minnesota's Superfund Program

MERLA Expenditures and Income Table, 1998

	FY 1998	FY 1983-98
Balance Forward 7-1-97	\$5,370,000	
Plus Prior Year Adjustment	\$56,000	
Adjusted Balance Forward	\$5,426,000	
Income to the Fund	FY 1998	FY 1983-98
Appropriations	\$6,606,000	\$26,006,000
Superfund/VIC Reimbursement, Hazardous Waste Penalties	\$3,553,000	\$33,668,000
Hazardous Waste Generator Tax	\$1,698,000	\$16,411,000
Interest	\$675,000	\$9,853,000
Hazardous Waste Revolving Loan Program	--	\$10,000
Less Revenue Refund	(\$248,000)	(\$2,025,000)
Total Income to the Account	\$12,284,000	\$83,923,000
Expenditures from the Fund	FY 1998	FY 1983-98
Oversight/Administrative (MDA=\$245,253)	\$3,696,253	
Site Specific and Support (MDA=\$226,047)	\$1,741,077	
Natural Resource Damages	\$1,000	
Department of Revenue Processing Charge	\$4,000	
Information Systems Initiative	\$91,000	
Trade and Economic Development	\$350,000	
Unliquidated Obligations (MDA=\$0)	\$66,200	
Subtotal Account Expenditures	\$5,949,530	\$72,301,530
Small Business Loan Program	\$499,000	
Total Expenditures and Obligations	\$6,448,530	\$72,301,530
Account Balance 6-30-98	\$11,261,470	

The **MERLA Expenditures and Income Table** details MERLA programmatic FY 1998 and cumulative expenditures and income. Reimbursements to the Account in FY 1998 covered 54 percent of the program's administrative costs. MPCA's/MDA's administrative costs represent salaries for staff as well as travel, equipment, non-site-specific legal costs, and supply expenditures associated with responding to emergencies and implementing site cleanups.

The **Minnesota Superfund 1998 Annual Report** is a publication of the MPCA's Policy and Planning Division and Metro District. It was prepared by:

MPCA Policy and Planning

- Allen Dotson
- Johnna Benke

MDA Agronomy Services

- Paul Liemandt

Minnesota Attorney General's Office

- Alan Williams

MPCA Metro District

- Michael Kanner
- Rich Sandberg
- Katherine Carlson

For more information about contaminated land, call MPCA (651) 296-6300 or toll-free and TDD (800) 657-3864.

For more
information,
visit our web
sites.

[http://www.
pca.state.mn.us](http://www.pca.state.mn.us)

[http://www.mda.
state.mn.us](http://www.mda.state.mn.us)



Minnesota Pollution Control Agency

Policy and Planning Division and Metro District
520 Lafayette Road N.
St. Paul, MN 55155-4194

First Class
U.S. Postage
PAID

Permit No. 171
St. Paul, MN