

Project Title	Agency Priority	Strategic Score	Funding Source	Agency Request			Governor's Rec	Governor's Planning Estimates	
				2004	2006	2008	2004	2006	2008
Closed Landfill Bonding	1	410	GO	\$26,092	\$0	\$0	\$14,000	\$12,092	\$0
Project Total				\$26,092	\$0	\$0	\$14,000	\$12,092	\$0
General Obligation Bonding (GO)				\$26,092	\$0	\$0	\$14,000	\$12,092	\$0

Funding Sources:	GF = General Fund	THF = Trunk Highway Fund	OTH = Other Funding Sources
	GO = General Obligation Bonds	THB = Trunk Highway Fund Bonding	UF = User Financed Bonding

Agency Profile At A Glance

- ◆ Responsible for state financed clean-up at 265 contaminated sites and oversight for an additional 3,000 sites.
- ◆ Performing permitting, inspection, compliance determination and enforcement activities for nearly 7,400 facilities that impact air, water and land.
- ◆ Monitoring at more than 500 sites across the state to determine environmental conditions of air, surface waters, and groundwater.
- ◆ Coordinating volunteer monitoring at 800 lakes for water clarity.
- ◆ Certifying facility operators and providing training to over 4,200 regulated parties.

Agency Purpose

The mission of the Pollution Control Agency (PCA) is to help Minnesotans protect the environment. Established in 1967, the agency's purpose is to protect Minnesota's environment through monitoring environmental quality, providing Minnesotan citizens and businesses with the information they need to protect and improve the environment, and by developing and enforcing environmental regulations.

The vision for the PCA is based on enabling legislation establishing the agency, and is comprised of four parts:

- ◆ fishable and swimmable lakes and rivers;
- ◆ clean and clear air;
- ◆ uncontaminated groundwater and land; and
- ◆ healthy ecosystems.

The results of PCA's efforts are obvious: the air, land, and water are cleaner now than they were 30 years ago, in spite of a growing population and substantial economic growth.

Core Functions

The PCA's mission is implemented through the following service strategies or core functions:

- ⇒ Issuing permits that require the prevention, control or cleanup of pollution; limit releases of pollutants; direct the construction or operation of a facility; and control the storage, collection, transporting and processing of waste.
- ⇒ Inspecting permitted facilities to ensure they comply with the terms of their permits, and if they are not, taking actions to return them to compliance.
- ⇒ Forming alliances with local governments, businesses, environmental partners and the public to collectively focus on behavior change, because we all share responsibility for the environment.
- ⇒ Evaluating environmental conditions in a local, state, regional, and global context; integrating data and trend analysis into PCA planning and decisions; measuring and reporting on environmental progress; and identifying new environmental problems.
- ⇒ Ensuring that all citizens have access to the best scientific information to effectively participate in managing their own human health and environmental risks.

Operations

The PCA Citizens' Board sets agency policy and takes action on certain other significant or controversial issues. The Commissioner directs the work of the agency's staff.

The PCA has slightly more than 740 staff who work at eight offices throughout Minnesota.

The Majors and Remediation Division deals with large industries and municipalities, focusing on major discharge and emission sources in the state. Air quality and land programs are based in this division. Emergency response, closed landfill cleanup, Superfund, leaking storage tank cleanup and small business assistance are also based in this division. Most of these staff are based in St. Paul.

The Regional Environmental Management Division focuses on smaller sources of pollution, such as small cities, businesses and individuals. Water quality and solid waste programs are based in this division as well as environmental review, noise monitoring, feedlots, stormwater, mobile air sources and other programs targeting non-point source pollution. This office has staff located throughout the state: Duluth, Brainerd, Rochester, Mankato, Detroit Lakes, Willmar, Marshall and St. Paul.

The Environmental Outcomes Division monitors and evaluates the physical, chemical and biological conditions of Minnesota's environment. With this information, they identify potential impacts to human health and the environment, help set environmental goals, establish environmental standards and help develop permit limits, and report results to staff, stakeholders and citizens. Core groups of these staff are located in St. Paul, with many others in regional offices.

The Office of Strategic Resource Management oversees agency-wide planning to analyze and address emerging environmental issues, the PCA's finances and its business operations (vehicle fleet, leases, mail and shipping, etc.), and human resources processes and issues. These staff are located in St. Paul.

The PCA also has staff in the Office of Agency-wide Management Systems in St. Paul, who assist the divisions by providing training, communications and information technology. The Customer Assistance Center responds to requests for information and assistance from citizens.

Budget

In the 1970s, the PCA was primarily funded through the general fund and federal grants. Since then, the PCA has successfully used rules and permits to limit pollution from big facilities. In the 1980s, environmental fees and taxes were established to fund these types of programs.

In addition, there has been a shift in the sources of pollution in Minnesota. Today, the major sources of air and water pollution are non-point sources, which do not pay environmental fees. In 2002, the Legislative Auditor recommended revisiting how the PCA is funded to better address today's environmental priorities.

Contact

For more information, contact: Ralph Heussner, Communications Director at (651) 296-6977.

The PCA web site at www.pca.state.mn.us gives visitors easy access to useful information about Minnesota's environment. Types of information available through the site include regulatory news and updates, rules, public notices, agency initiatives, details about environmental quality and current "hot topics."

For information on how this agency measures whether it is meeting its statewide goals, please refer to www.departmentresults.state.mn.us

At A Glance: Agency Long-Range Strategic Goals

The mission of the Minnesota Pollution Control Agency (MPCA) is to help Minnesotans protect and improve the environment to sustain healthy ecosystems. The vision for the MPCA is based on its enabling legislation that established the agency. The vision for Minnesota's environment is comprised of:

- ◆ clean, sustainable ground water systems,
- ◆ clean fishable swimmable surface waters,
- ◆ clean and clear air,
- ◆ land supports desired uses, and
- ◆ a well-managed organization to ensure this vision is accomplished.

MPCA's priority programs are based on information from environmental risk, environmental stressors, the resource conditions, statutory obligations and responsibilities, public and stakeholder expectations and socio-economic trends.

MPCA's top environmental priorities are:

- ◆ impaired waters,
- ◆ responding to emergencies,
- ◆ core regulatory air and water programs,
- ◆ non-point source pollution in air and water and environmental monitoring.

However, closed landfills also represent both an outstanding environmental and public health liability for the state and a commitment for MPCA to complete construction and move into operation and maintenance program levels.

The MPCA is authorized under Minnesota's Landfill Cleanup Act (M.S. 115B) to initiate cleanups, complete closures, and take over the long-term operation and maintenance in perpetuity at up to 112 closed landfills currently qualified for the closed landfill program. This bonding request is one of the three major funding sources for this program.

Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs

In 1994, the legislature passed the Landfill Cleanup Act which authorized the MPCA to initiate cleanups, complete closures, and take over the long-term operation and maintenance in perpetuity at up to 106 closed, state-permitted, municipal solid waste landfills in Minnesota. In 1999, the eligibility was expanded and, since then, six additional facilities have become eligible. As one of the three funding sources, the legislature appropriated \$90 million in general-obligation bond funds to be used for design and construction work over a ten-year period at closed landfills that are publicly owned.

In 2000, another law relating to unobligated bond proceeds inadvertently cancelled that bonding authority, and resulted in two subsequent requests for bonding authorizations in FY 2001 and FY 2002. This request is expected to result in the completion of construction for the currently eligible facilities.

Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets

For the November 2002 forecast, the MPCA notified the Department of Finance of future state obligations relating to eligible closed landfills of \$231 million in 2002. These financial obligations are based on reimbursement to Environmental Protection Agency (EPA) for some past costs, needed remedial construction, and operation and maintenance of these systems and obligation to correct, in an instance of catastrophic failure such as landfill cover failure, fires or explosions. About 15 publicly owned landfills in the Closed Landfill Program are in need of remedial construction activities in FY 2005 and FY 2006. If this request for general obligation bonds is not authorized, then funding for these activities would have likely come from the Remediation Fund which funds similar construction activities at non-publicly owned, closed landfills in the program. However, there may not be funding available in the Remediation Fund for these additional activities due to the legislative transfer of \$21 million in unreserved fund balances to the general fund between FY 2003 and FY 2005. As a result, construction activities at these sites could be delayed.

Agency Process Used to Arrive at These Capital Requests

The MPCA has estimated design and construction costs for the remaining publicly owned closed landfills that need remedial action. Construction activities at each of these sites may include: 1) the installation or augmentation of landfill covers to mitigate the generation of contaminated leachate; 2) the installation of ground water treatment systems to clean up contaminated ground water that threatens public drinking water sources; and 3) the installation of landfill gas control systems to prevent off-site threats of explosion to buildings and damage to crops. This construction is represented in this bonding request for \$26.092 million.

Major Capital Projects Authorized in 2002 and 2003

In 1994, the MPCA received \$90 million in state general obligation bonds to be used for design and construction work at publicly owned landfills over a 10-year period. Expenditures from the original \$90 million authorized in 1994 have been ongoing since 1996 until February 2001 when spending of the unobligated amount was cancelled. The cancellation was due to a law the legislature passed in 2000 requiring the commissioner of Finance in odd years to report to the legislature and to cancel certain unspent or otherwise unobligated bond proceeds (M.S. 16A.642).

The legislature authorized \$10 million in 2002, which is currently being spent at 11 closed landfills and will be exhausted by the end of FY 2004.

Closed Landfill Bonding

2004 STATE APPROPRIATION REQUEST: \$26,092,000

AGENCY PROJECT PRIORITY: 1 of 1

PROJECT LOCATION: 15 closed landfills statewide

Project At A Glance

Design and construct remedial systems (cover, landfill gas mitigation, and ground water treatment systems) and acquire land at publicly owned, closed, mixed municipal solid waste landfills throughout Minnesota.

Project Description

This request for \$26.092 million in state general obligation bonds is to design and construct remedial systems (cover, landfill gas mitigation, and ground water treatment systems) at publicly owned, state-permitted, closed, mixed municipal solid waste landfills throughout Minnesota in FY 2005-06. The Minnesota Pollution Control Agency (MPCA) is authorized under the Landfill Cleanup Act (M.S. 115B.39) to initiate cleanups, complete closures, and take over the long-term operation and maintenance in perpetuity at up to 112 landfills currently qualified for the Closed Landfill Program (CLP). One of the funding sources for the CLP has been the selling of state general obligation bonds, which were appropriated by the legislature in 1997 (1994 Minnesota Session Laws, Ch. 639, Art. 3, Sec. 5).

This bonding authority was intended to be one of the three major funding sources for the closed landfill cleanup program. The other two are the solid waste tax and insurance recovery. The legislature authorized up to \$90 million in general-obligation bond funds to be used for design and construction work at publicly owned landfills over a 10-year period. Rather than issuing all \$90 million at one time, the legislature intentionally restricted the selling and issuance of bonds so that the total amount issued could not exceed: 1) \$10 million by 6-30-96; 2) \$35 million by 6-30-98; 3) \$55 million by 6-30-2000; and 4) \$75 million by 6-30-02.

In 2000, the legislature passed a law requiring the Commissioner of Finance in odd years to report to the legislature and to cancel unspent or otherwise unobligated bond proceeds (M.S. 16A.642). Consequently, this statute resulted in the cancellation of the unused bonds that were earmarked for construction.

The 1994 law was unique, not only because the legislature intended for bonds to be sold incrementally over 10 years, but also because the selling of these bonds was intended to provide a long-term funding source that enabled the MPCA to address the state's perpetual obligation to protect public health, public safety, and the environment at nearly half of the sites in the CLP. Now, these unused bonds – bonds the MPCA anticipated spending on construction at closed landfills in future years to meet its obligations – were cancelled on 7-1-01.

In 2001 and 2002, the legislature authorized \$20.5 million and \$10 million, respectively to meet the MPCA's construction needs through FY 2004. However, the MPCA estimates that an additional \$26.092 million is needed to complete remedial construction at 15 sites in FYs 2005-06. The authorization of bonds will allow MPCA to carry out the original intention of the 1994 Act and to use the bond proceeds to pay for planned remedial construction at publicly owned landfills. The MPCA is requesting bond authority for the \$26.092 million in outstanding needs in the current capital budget cycle.

Impact on Agency Operating Budgets (Facilities Notes)

The legislature directly appropriates funds from the Remediation Fund to administer the CLP. Therefore, there is no additional impact on operating budgets to fund this initiative.

Previous Appropriations for this Project

Laws of 1994, Chapter 639; Laws of Special Session 2001 Chapter 12; Laws of 2002, Chapter 393.

Closed Landfill Bonding

Other Considerations

For the November 2000 forecast, the MPCA notified the Department of Finance of future state obligations relating to eligible closed landfills of \$231 million in 2002. These financial obligations are based on reimbursement agreements to responsible parties, needed remedial construction, and operation and maintenance of these systems and obligation to correct, in an instance of catastrophic failure such as landfill covers failure, fires or explosions.

Project Contact Person

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Governor's Recommendations

The Governor recommends general obligation bonding of \$14 million for this project. Also included is a budget planning estimate of \$12.092 million in 2006 to complete funding for this project.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	6,382	2,609	0	0	8,991
4. Project Management	0	0	0	0	0
5. Construction Costs	57,438	23,483	0	0	80,921
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	63,820	26,092	0	0	89,912

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	63,820	26,092	0	0	89,912
State Funds Subtotal	63,820	26,092	0	0	89,912
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	63,820	26,092	0	0	89,912

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	26,092	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2009

Closed Landfill Bonding

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	120
Safety/Code Concerns	0/35/70/105	70
Customer Service/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	100
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	50
Total	700 Maximum	410